

**PROPOSED AMENDMENTS TO
HOUSE BILL 3367**

1 In line 2 of the printed bill, after “expenditures;” delete the rest of the
2 line and line 3 and insert “creating new provisions; amending ORS 173.025,
3 284.367, 284.368, 314.752, 315.050, 315.141, 315.163, 315.164, 315.167, 315.169,
4 315.172, 315.266, 315.336, 315.514, 315.521, 315.613, 315.616, 315.622, 316.102,
5 316.362, 316.502, 316.687, 316.690, 316.695, 317.147, 317.152, 317.154, 318.031,
6 455.380, 456.508, 456.510, 456.585 and 566.340 and section 19, chapter 954,
7 Oregon Laws 2001, sections 7 and 10, chapter 826, Oregon Laws 2005, section
8 66, chapter 832, Oregon Laws 2005, section 6, chapter 880, Oregon Laws 2007,
9 sections 2b, 7b and 18, chapter 906, Oregon Laws 2007, sections 20, 24, 25, 27,
10 28, 34 and 36, chapter 913, Oregon Laws 2009, and section 29, chapter 377,
11 Oregon Laws 2013 (Enrolled House Bill 2492); repealing section 5, chapter
12 880, Oregon Laws 2007, and section 28, chapter 377, Oregon Laws 2013 (En-
13 rolled House Bill 2492); and prescribing an effective date.”.

14 Delete lines 5 through 16 and insert:

15 **“SECTION 1.** Section 6, chapter 880, Oregon Laws 2007, is amended to
16 read:

17 **“Sec. 6.** *[The repeal of ORS 315.266 by section 5 of this 2007 Act applies*
18 *to tax years beginning on or after January 1, 2014.]* **ORS 315.266 applies to**
19 **tax years beginning before January 1, 2020.**

20 **“SECTION 2.** Section 5, chapter 880, Oregon Laws 2007, and section
21 **28, chapter 377, Oregon Laws 2013 (Enrolled House Bill 2492), are re-**
22 **pealed.**

1 **“SECTION 3.** Section 29, chapter 377, Oregon Laws 2013 (Enrolled House
2 Bill 2492), is amended to read:

3 **“Sec. 29.** (1) Except as provided in subsections (2) and (3) of this section,
4 [section 28 of this 2013 Act and] the amendments to statutes by sections 1 to
5 27 [of this 2013 Act], **chapter 377, Oregon Laws 2013 (Enrolled House Bill**
6 **2492)**, apply to transactions or activities occurring on or after January 1,
7 2013, in tax years beginning on or after January 1, 2013.

8 “(2) The effective and applicable dates, and the exceptions, special rules
9 and coordination with the Internal Revenue Code, as amended, relative to
10 those dates, contained in the Middle Class Tax Relief and Job Creation Act
11 of 2012 (P.L. 112-96), the American Taxpayer Relief Act of 2012 (P.L. 112-240)
12 and other federal law amending the Internal Revenue Code and enacted be-
13 fore January 3, 2013, apply for Oregon personal income and corporate excise
14 and income tax purposes, to the extent they can be made applicable, in the
15 same manner as they are applied under the Internal Revenue Code and re-
16 lated federal law.

17 “(3)(a) If a deficiency is assessed against any taxpayer for a tax year be-
18 ginning before January 1, 2013, and the deficiency or any portion thereof is
19 attributable to any retroactive treatment under the amendments to ORS
20 305.230, 305.494, 305.690, 307.130, 307.147, 308A.450, 310.140, 310.630, 310.800,
21 314.011, 315.004, 316.012, 317.010, 317.097 and 348.841 by sections 11 to 25 [of
22 this 2013 Act], **chapter 377, Oregon Laws 2013 (Enrolled House Bill**
23 **2492)**, then any interest or penalty assessed under ORS chapter 305, 314, 315,
24 316, 317 or 318 with respect to the deficiency or portion thereof shall be
25 canceled.

26 “(b) If a refund is due any taxpayer for a tax year beginning before Jan-
27 uary 1, 2013, and the refund or any portion thereof is due the taxpayer on
28 account of any retroactive treatment under the amendments to ORS 305.230,
29 305.494, 305.690, 307.130, 307.147, 308A.450, 310.140, 310.630, 310.800, 314.011,
30 315.004, 316.012, 317.010, 317.097 and 348.841 by sections 11 to 25 [of this 2013

1 *Act*], **chapter 377, Oregon Laws 2013 (Enrolled House Bill 2492)**, then
2 notwithstanding ORS 305.270 or 314.415 or other law, the refund or portion
3 thereof shall be paid without interest.

4 “(c) Any changes required because of the amendments to ORS 305.230,
5 305.494, 305.690, 307.130, 307.147, 308A.450, 310.140, 310.630, 310.800, 314.011,
6 315.004, 316.012, 317.010, 317.097 and 348.841 by sections 11 to 25 [*of this 2013*
7 *Act*], **chapter 377, Oregon Laws 2013 (Enrolled House Bill 2492)**, for a tax
8 year beginning before January 1, 2013, shall be made by filing an amended
9 return within the time prescribed by law.

10 “(d) If a taxpayer fails to file an amended return under paragraph (c) of
11 this subsection, the Department of Revenue shall make any changes under
12 paragraph (c) of this subsection on the return to which the changes relate
13 within the period specified for issuing a notice of deficiency or claiming a
14 refund as otherwise provided by law with respect to that return, or within
15 one year after a return for a tax year beginning on or after January 1, 2013,
16 and before January 1, 2014, is filed, whichever period expires later.

17 **“SECTION 4.** ORS 315.266 is amended to read:

18 “315.266. (1) In addition to any other credit available for purposes of ORS
19 chapter 316, an eligible resident individual shall be allowed a credit against
20 the tax otherwise due under ORS chapter 316 for the tax year in an amount
21 equal to [*six*] **eight** percent of the earned income credit allowable to the
22 individual for the same tax year under section 32 of the Internal Revenue
23 Code.

24 “(2) An eligible nonresident individual shall be allowed the credit com-
25 puted in the same manner and subject to the same limitations as the credit
26 allowed a resident by subsection (1) of this section. However, the credit shall
27 be prorated using the proportion provided in ORS 316.117.

28 “(3) If a change in the taxable year of a taxpayer occurs as described in
29 ORS 314.085, or if the Department of Revenue terminates the taxpayer’s
30 taxable year under ORS 314.440, the credit allowed by this section shall be

1 prorated or computed in a manner consistent with ORS 314.085.

2 “(4) If a change in the status of a taxpayer from resident to nonresident
3 or from nonresident to resident occurs, the credit allowed by this section
4 shall be determined in a manner consistent with ORS 316.117.

5 “(5) If the amount allowable as a credit under this section, when added
6 to the sum of the amounts allowable as payment of tax under ORS 316.187
7 or 316.583, other tax prepayment amounts and other refundable credit
8 amounts, exceeds the taxes imposed by ORS chapters 314 and 316 for the tax
9 year after application of any nonrefundable credits allowable for purposes
10 of ORS chapter 316 for the tax year, the amount of the excess shall be re-
11 funded to the taxpayer as provided in ORS 316.502.

12 “(6) The Department of Revenue may adopt rules for purposes of this
13 section, including but not limited to rules relating to proof of eligibility and
14 the furnishing of information regarding the federal earned income credit
15 claimed by the taxpayer for the tax year.

16 “(7) Refunds attributable to the earned income credit allowed under this
17 section shall not bear interest.

18 **“SECTION 5. The amendments to ORS 315.266 by section 4 of this**
19 **2013 Act apply to tax years beginning on or after January 1, 2013, and**
20 **before January 1, 2020.**

21 **“SECTION 6.** ORS 316.102 is amended to read:

22 “316.102. (1) A credit against taxes shall be allowed for voluntary contri-
23 butions in money made in the taxable year:

24 “(a) To a major political party qualified under ORS 248.006 or to a com-
25 mittee thereof or to a minor political party qualified under ORS 248.008 or
26 to a committee thereof.

27 “(b) To or for the use of a person who must be a candidate for nomination
28 or election to a federal, state or local elective office in any primary election,
29 general election or special election in this state. The person must, in the
30 calendar year in which the contribution is made, either be listed on a pri-

1 mary election, general election or special election ballot in this state or have
2 filed in this state one of the following:

3 “(A) A prospective petition;

4 “(B) A declaration of candidacy;

5 “(C) A certificate of nomination; or

6 “(D) A designation of a principal campaign committee.

7 “(c) To a political committee, as defined in ORS 260.005, if the political
8 committee has certified the name of its treasurer to the filing officer, as de-
9 fined in ORS 260.005, in the manner provided in ORS chapter 260.

10 “(2) The credit allowed by subsection (1) of this section shall be the lesser
11 of:

12 “(a) The total contribution, [*not to exceed \$50 on a separate return; the*
13 *total contribution,*] not to exceed \$100 on a joint return **or \$50 on any other**
14 **type of return;** or

15 “(b) The tax liability of the taxpayer.

16 “(3) **A taxpayer may not claim the credit allowed under this section**
17 **if the taxpayer has federal adjusted gross income in excess of \$200,000**
18 **on a joint return or \$100,000 on any other type of return.**

19 “[3] (4) The claim for tax credit shall be substantiated by submission,
20 with the tax return, of official receipts of the candidate, agent, political
21 party or committee thereof or political committee to whom contribution was
22 made.

23 “**SECTION 6a. The amendments to ORS 316.102 by section 6 of this**
24 **2013 Act apply to tax years beginning on or after January 1, 2014.**

25 “**SECTION 7.** Section 34, chapter 913, Oregon Laws 2009, is amended to
26 read:

27 “**Sec. 34.** A credit may not be claimed under ORS 316.102 for tax years
28 beginning on or after January 1, [2014] **2020.**

29 “**SECTION 8.** Section 19, chapter 954, Oregon Laws 2001, as amended by
30 section 35, chapter 913, Oregon Laws 2009, is amended to read:

1 “**Sec. 19.** ORS 315.675 applies to tax years beginning on or after January
2 1, 2002, and before January 1, [2014] **2020**.”

3 “**SECTION 9.** Section 36, chapter 913, Oregon Laws 2009, is amended to
4 read:

5 “**Sec. 36.** A credit may not be claimed under ORS 316.157 for tax years
6 beginning on or after January 1, [2014] **2020**.”

7 “**SECTION 10.** Section 25, chapter 913, Oregon Laws 2009, is amended to
8 read:

9 “**Sec. 25.** (1) Except as provided in subsection (2) of this section, a credit
10 may not be claimed under ORS 315.613 for tax years beginning on or after
11 January 1, [2014] **2020**.”

12 “(2) A taxpayer who meets the eligibility requirements in ORS 315.613 for
13 the tax year beginning on or after January 1, [2013] **2019**, and before January
14 1, [2014] **2020**, shall be allowed the credit under ORS 315.613 for any tax year:

15 “(a) That begins on or before January 1, [2023] **2029**; and

16 “(b) For which the taxpayer meets the eligibility requirements of ORS
17 315.613.

18 “**SECTION 11.** ORS 315.613 is amended to read:

19 “315.613. (1) A resident or nonresident individual certified as eligible un-
20 der ORS 442.563, licensed under ORS chapter 677, who is engaged in the
21 practice of medicine, and who [*has a rural practice that amounts to 60 percent*
22 *of the individual’s practice,*] **is engaged for at least 20 hours per week,**
23 **averaged over the month, during the tax year in a rural practice,** shall
24 be allowed an annual credit against taxes otherwise due under [*this*
25 *chapter*] **ORS chapter 316** in the sum of \$5,000 during the time in which the
26 individual retains such practice and membership if the individual is actively
27 practicing in and is a member of the medical staff of one of the following
28 hospitals:

29 “(a) A type A hospital designated as such by the Office of Rural Health;

30 “(b) A type B hospital designated as such by the Office of Rural Health

1 if the hospital is:

2 “(A) Not within the boundaries of a metropolitan statistical area;

3 “(B) Located 30 or more highway miles from the closest hospital within
4 the major population center in a metropolitan statistical area; or

5 “(C) Located in a county with a population of less than 75,000;

6 “(c) A type C rural hospital, if the Office of Rural Health makes the
7 findings required by ORS 315.619; or

8 “(d) A rural critical access hospital.

9 “**(2) In order to claim the credit allowed under this section, the in-**
10 **dividual must remain willing during the tax year to serve patients with**
11 **Medicare coverage and patients receiving medical assistance in at least**
12 **the same proportion to the individual’s total number of patients as the**
13 **Medicare and medical assistance populations represent of the total**
14 **number of persons determined by the Office of Rural Health to be in**
15 **need of care in the county served by the practice, not to exceed 20**
16 **percent Medicare patients or 15 percent medical assistance patients.**

17 “[2] **(3)** A nonresident **individual** shall be allowed the credit under this
18 section in the proportion provided in ORS 316.117. If a change in the status
19 of a taxpayer from resident to nonresident or from nonresident to resident
20 occurs, the credit allowed by this section shall be determined in a manner
21 consistent with ORS 316.117.

22 “[3] **(4)** For purposes of this section, an ‘individual’s practice’ shall be
23 determined on the basis of actual time spent in practice each week in hours
24 or days, whichever is considered by the Office of Rural Health to be more
25 appropriate. In the case of a shareholder of a corporation or a member of a
26 partnership, only the time of the individual shareholder or partner shall be
27 considered and the full amount of the credit shall be allowed to each share-
28 holder or partner who qualifies in an individual capacity.

29 “[4] **(5)** As used in this section:

30 “(a) ‘Type A hospital,’ ‘type B hospital’ and ‘type C hospital’ have the

1 meaning for those terms provided in ORS 442.470.

2 “(b) ‘Rural critical access hospital’ means a facility that meets the crite-
3 ria set forth in 42 U.S.C. 1395i-4 (c)(2)(B) and that has been designated a
4 critical access hospital by the Office of Rural Health and the Oregon Health
5 Authority.

6 **“SECTION 12.** ORS 315.616 is amended to read:

7 “315.616. A resident or nonresident individual who is certified as eligible
8 under ORS 442.561, 442.562, 442.563 or 442.564, and is licensed as a physician
9 or podiatric physician and surgeon under ORS chapter 677, licensed as a
10 physician assistant under ORS chapter 677, licensed as a nurse practitioner
11 under ORS chapter 678, licensed as a certified registered nurse anesthetist
12 under ORS chapter 678, licensed as a dentist under ORS chapter 679 or li-
13 censed as an optometrist under ORS 683.010 to 683.340 is entitled to the tax
14 credit described in ORS 315.613 even if not a member of the hospital medical
15 staff if the Office of Rural Health certifies that the individual:

16 “[*(1) Has a rural practice that amounts to 60 percent of the individual’s*
17 *practice; and*]

18 **“(1) Is engaged for at least 20 hours per week, averaged over the**
19 **month, during the tax year in a rural practice; and**

20 **“(2)(a) If a physician or a physician assistant, can cause a patient to be**
21 **admitted to the hospital;**

22 **“(b) If a certified registered nurse anesthetist, is employed by or has a**
23 **contractual relationship with one of the hospitals described in ORS 315.613**
24 **(1); or**

25 **“(c) If an optometrist, has consulting privileges with a hospital listed in**
26 **ORS 315.613 (1). This paragraph does not apply to an optometrist who qual-**
27 **ifies as a ‘frontier rural practitioner,’ as defined by the Office of Rural**
28 **Health.**

29 **“SECTION 13. The amendments to ORS 315.613 and 315.616 by**
30 **sections 11 and 12 of this 2013 Act apply to tax years beginning on or**

1 **after January 1, 2014.**

2 **“SECTION 14.** ORS 315.622 is amended to read:

3 “315.622. (1) A resident or nonresident individual who is certified as eli-
4 gible under ORS 442.550 to 442.570 and who is licensed as an emergency
5 medical services provider under ORS chapter 682 shall be allowed a credit
6 against the taxes that are otherwise due under ORS chapter 316 if the Office
7 of Rural Health certifies that the individual provides volunteer emergency
8 medical services in a rural area that comprise at least 20 percent of the total
9 emergency medical services provided by the individual in the tax year.

10 “(2) The amount of the credit shall equal [\$250] **the lesser of the tax**
11 **liability of the taxpayer or \$500.**

12 “(3) A nonresident shall be allowed the credit under this section in the
13 proportion provided in ORS 316.117. If a change in the status of a taxpayer
14 from resident to nonresident or from nonresident to resident occurs, the
15 credit allowed by this section shall be determined in a manner consistent
16 with ORS 316.117.

17 “(4) As used in this section, ‘rural area’ means a geographic area that is
18 located at least 25 miles from any city with a population of 30,000 or more.

19 **“SECTION 15. The amendments to ORS 315.622 by section 14 of this**
20 **2013 Act apply to tax years beginning on or after January 1, 2014.**

21 **“SECTION 16.** Section 66, chapter 832, Oregon Laws 2005, as amended
22 by section 26, chapter 913, Oregon Laws 2009, is amended to read:

23 **“Sec. 66.** ORS 315.622 applies to tax credit certifications issued by the
24 Office of Rural Health on or after January 1, 2006, and before January 1,
25 [2014] **2020.**

26 **“SECTION 17.** Section 24, chapter 913, Oregon Laws 2009, is amended to
27 read:

28 **“Sec. 24.** Except as provided in ORS 315.237 (6), a credit may not be
29 claimed under ORS 315.237 for tax years beginning on or after January 1,
30 [2014] **2020.**

1 **“SECTION 18.** Section 28, chapter 913, Oregon Laws 2009, is amended to
2 read:

3 **“Sec. 28.** Except as provided in ORS 315.164 (8), a credit may not be
4 claimed under ORS 315.164 for tax years beginning on or after January 1,
5 [2014] **2020.**

6 **“SECTION 19.** ORS 315.163 is amended to read:

7 “315.163. As used in ORS 315.163 to 315.172:

8 “(1)(a) ‘Acquisition costs’ means the cost of acquiring buildings, struc-
9 tures and improvements that constitute or will constitute [farmworker] **ag-**
10 **riculture workforce** housing.

11 “(b) ‘Acquisition costs’ does not include the cost of acquiring land on
12 which [farmworker] **agriculture workforce** housing is or will be located.

13 “(2) ‘**Agricultural worker**’ means any person who, for an agreed
14 remuneration or rate of pay, performs temporary or permanent labor
15 for another in the:

16 “(a) **Production of agricultural or aquacultural crops or products;**

17 “(b) **Handling of agricultural or aquacultural crops or products in**
18 **an unprocessed stage;**

19 “(c) **Processing of agricultural or aquacultural crops or products;**

20 “(d) **Planting, cultivating or harvesting of seasonal agricultural**
21 **crops; or**

22 “(e) **Forestation or reforestation of lands, including but not limited**
23 **to the planting, transplanting, tubing, precommercial thinning and**
24 **thinning of trees and seedlings, the clearing, piling and disposal of**
25 **brush and slash and other related activities.**

26 “(3) ‘**Agriculture workforce housing**’ means housing:

27 “(a) **Limited to occupancy by agricultural workers, including agri-**
28 **cultural workers who are retired or disabled, and their immediate**
29 **families; and**

30 “(b) **No dwelling unit of which is occupied by a relative of the owner**

1 **or operator of the agriculture workforce housing, except in the case**
2 **of a manufactured dwelling in a manufactured dwelling park nonprofit**
3 **cooperative as defined in ORS 62.803.**

4 **“(4) ‘Agriculture workforce housing project’ means the acquisition,**
5 **construction, installation or rehabilitation of agriculture workforce**
6 **housing.**

7 “[2] (5) ‘Condition of habitability’ means a condition that is in compli-
8 ance with:

9 “(a) The applicable provisions of the state building code under ORS
10 chapter 455 and the rules adopted thereunder; or

11 “(b) If determined on or before December 31, 1995, sections 12 and 13,
12 chapter 964, Oregon Laws 1989.

13 “[3] (6) ‘Contributor’ means a person:

14 “(a) That acquired, constructed, manufactured or installed [*farmworker*]
15 **agriculture workforce** housing or contributed money to finance [*a*
16 *farmworker*] **an agriculture workforce** housing project; or

17 “(b) That has purchased or otherwise received via transfer a credit as
18 provided in ORS 315.169 (2).

19 “[4] (7) ‘Eligible costs’ includes acquisition costs, finance costs, con-
20 struction costs, excavation costs, installation costs and permit costs and ex-
21 cludes land costs.

22 “[5] ‘Farmworker’ means any person who, for an agreed remuneration or
23 rate of pay, performs temporary or permanent labor for another in the:]

24 “[*(a) Production of agricultural or aquacultural crops or products;*]

25 “[*(b) Handling of agricultural or aquacultural crops or products in an un-*
26 *processed stage;*]

27 “[*(c) Processing of agricultural or aquacultural crops or products;*]

28 “[*(d) Planting, cultivating or harvesting of seasonal agricultural crops;*
29 *or*]

30 “[*(e) Forestation or reforestation of lands, including but not limited to the*

1 *planting, transplanting, tubing, precommercial thinning and thinning of trees*
2 *and seedlings, the clearing, piling and disposal of brush and slash and other*
3 *related activities.]*

4 “[*(6) ‘Farmworker housing’ means housing:*]

5 “[*(a) Limited to occupancy by farmworkers, including farmworkers who are*
6 *retired or disabled, and their immediate families; and]*

7 “[*(b) No dwelling unit of which is occupied by a relative of the owner or*
8 *operator of the farmworker housing, except in the case of a manufactured*
9 *dwelling in a manufactured dwelling park nonprofit cooperative as that term*
10 *is defined in ORS 62.803.]*

11 “[*(7) ‘Farmworker housing project’ means the acquisition, construction, in-*
12 *stallation or rehabilitation of farmworker housing.]*

13 “(8)(a) ‘Owner’ means a person that owns [*farmworker*] **agriculture**
14 **workforce** housing.

15 “(b) ‘Owner’ does not include a person that only has an interest in the
16 **agriculture workforce** housing as a holder of a security interest.

17 “(9) ‘Rehabilitation’ means to make repairs or improvements to a building
18 that improve its livability and are consistent with applicable building codes.

19 “(10) ‘Relative’ means a brother or sister (whether by the whole or by half
20 blood), spouse, ancestor (whether by law or by blood), or lineal descendant
21 of an individual.

22 “(11) ‘Taxpayer’ includes a nonprofit corporation, a tax-exempt entity or
23 any other person not subject to tax under ORS chapter 316, 317 or 318.

24 “**SECTION 20.** ORS 315.164 is amended to read:

25 “315.164. (1) A taxpayer who is the owner or operator of [*farmworker*]
26 **agriculture workforce** housing is allowed a credit against the taxes other-
27 wise due under ORS chapter 316, if the taxpayer is a resident individual, or
28 against the taxes otherwise due under ORS chapter 317, if the taxpayer is a
29 corporation. The total amount of the credit shall be equal to 50 percent of
30 the eligible costs actually paid or incurred by the taxpayer to complete [*a*

1 *farmworker*] **an agriculture workforce** housing project, to the extent the
2 eligible costs actually paid or incurred by the taxpayer do not exceed the
3 estimate of eligible costs approved by the Housing and Community Services
4 Department under ORS 315.167.

5 “(2) A taxpayer who is otherwise eligible to claim a credit under this
6 section may elect to transfer all or a portion of the credit to a contributor
7 in the manner provided in ORS 315.169.

8 “(3)(a) The credit allowed under this section may be taken for the tax
9 year in which the [*farmworker*] **agriculture workforce** housing project is
10 completed or in any of the nine tax years succeeding the tax year in which
11 the project is completed.

12 “(b) The credit allowed in any one tax year may not exceed 20 percent
13 of the amount determined under subsection (1) of this section.

14 “(4)(a) To claim a credit under this section, a taxpayer must show in each
15 year following the completion of [*a farmworker*] **an agriculture workforce**
16 housing project that the housing continues to be operated as [*farmworker*]
17 **agriculture workforce** housing.

18 “(b) A taxpayer need not make the showing required in paragraph (a) of
19 this subsection if the Housing and Community Services Department waives
20 the requirement after the taxpayer has successfully met the requirement for
21 the first five years after completion of the **agriculture workforce** housing
22 project.

23 “(c) The Housing and Community Services Department shall determine
24 by rule the factors necessary to grant a waiver. Such factors may include a
25 documented decline in a particular area for [*farmworker*] **agriculture**
26 **workforce** housing.

27 “(5) The credit shall apply only to [*a farmworker*] **an agriculture**
28 **workforce** housing project that is located within this state and physically
29 begun on or after January 1, 1990.

30 “(6)(a) A credit may not be allowed under this section unless the taxpayer

1 claiming credit under this section:

2 “(A) Obtains a letter of credit approval from the Housing and Community
3 Services Department pursuant to ORS 315.167; and

4 “(B) Files with the Department of Revenue an annual certification pro-
5 viding that all occupied units for which credit is being claimed are occupied
6 by [*farmworkers, including farmworkers*] **agricultural workers, including**
7 **agricultural workers** who are retired or disabled, and their immediate
8 families.

9 “(b) The certification described under this subsection shall be made on the
10 form and in the time and manner prescribed by the Department of Revenue.

11 “(7) Except as provided under subsection (8) of this section, the credit
12 allowed in any one year may not exceed the tax liability of the taxpayer.

13 “(8) Any tax credit otherwise allowable under this section that is not used
14 by the taxpayer in a particular tax year may be carried forward and offset
15 against the taxpayer’s tax liability for the next succeeding tax year. Any
16 credit remaining unused in the next succeeding tax year may be carried
17 forward and used in the second succeeding tax year, and likewise any credit
18 not used in that second succeeding tax year may be carried forward and used
19 in the third succeeding tax year, and any credit not used in that third suc-
20 ceeding tax year may be carried forward and used in the fourth succeeding
21 tax year, and any credit not used in that fourth succeeding tax year may be
22 carried forward and used in the fifth succeeding tax year, and any credit not
23 used in that fifth succeeding tax year may be carried forward and used in
24 the sixth succeeding tax year, and any credit not used in that sixth suc-
25 ceeding tax year may be carried forward and used in the seventh succeeding
26 tax year, and any credit not used in that seventh succeeding tax year may
27 be carried forward and used in the eighth succeeding tax year, and any credit
28 not used in that eighth succeeding tax year may be carried forward and used
29 in the ninth succeeding tax year, but may not be carried forward for any tax
30 year thereafter.

1 “(9)(a) The credit provided by this section is not in lieu of any depreci-
2 ation or amortization deduction for the **agriculture workforce housing**
3 project to which the taxpayer otherwise may be entitled under ORS chapter
4 316 or 317 for the year.

5 “(b) The taxpayer’s adjusted basis for determining gain or loss may not
6 be further decreased by any tax credits allowed under this section.

7 “(10) For a taxpayer to receive a credit under this section, the
8 [*farmworker*] **agriculture workforce** housing must:

9 “(a) Comply with all occupational safety or health laws, rules, regulations
10 and standards;

11 “(b) If registration is required, be registered as a farmworker camp with
12 the Department of Consumer and Business Services under ORS 658.750;

13 “(c) Upon occupancy and if an indorsement is required, be operated by a
14 person who holds a valid indorsement as a farmworker camp operator under
15 ORS 658.730; and

16 “(d) Continue to be operated as [*farmworker*] **agriculture workforce**
17 housing for a period of at least 10 years after the completion of the
18 [*farmworker*] **agriculture workforce** housing project, unless a waiver has
19 been granted under subsection (4) of this section.

20 “(11)(a) Pursuant to the procedures for a contested case under ORS
21 chapter 183, the Department of Revenue may order the disallowance of the
22 credit allowed under this section if it finds, by order, that:

23 “(A) The credit was obtained by fraud or misrepresentation; or

24 “(B) In the event that an owner or operator claims or claimed the credit:

25 “(i) The taxpayer has failed to continue to substantially comply with the
26 occupational safety or health laws, rules, regulations or standards;

27 “(ii) After occupancy and if registration is required, the [*farmworker*]
28 **agriculture workforce** housing is not registered as a farmworker camp with
29 the Department of Consumer and Business Services under ORS 658.750;

30 “(iii) After occupancy and if an indorsement is required, the

1 [farmworker] **agriculture workforce** housing is not operated by a person
2 who holds a valid indorsement as a farmworker camp operator under ORS
3 658.730; or

4 “(iv) The taxpayer has failed to make a showing that the housing con-
5 tinues to be operated as [farmworker] **agriculture workforce** housing as
6 required under subsection (4)(a) of this section and the taxpayer has not been
7 granted a waiver by the Housing and Community Services Department under
8 subsection (4)(b) of this section.

9 “(b) If the tax credit is disallowed pursuant to this subsection, notwith-
10 standing ORS 314.410 or other law, all prior tax relief provided to the tax-
11 payer shall be forfeited and the Department of Revenue shall proceed to
12 collect those taxes not paid by the taxpayer as a result of the prior granting
13 of the credit.

14 “(c) If the tax credit is disallowed pursuant to this subsection, the tax-
15 payer shall be denied any further credit provided under this section, in con-
16 nection with the [farmworker] **agriculture workforce** housing project, as
17 the case may be, from and after the date that the order of disallowance be-
18 comes final.

19 “(12) In the event that the [farmworker] **agriculture workforce** housing
20 is destroyed by fire, flood, natural disaster or act of God before all of the
21 credit has been used, the taxpayer may nevertheless claim the credit as if
22 no destruction had taken place. In the event of fire, if the fire chief of the
23 fire protection district or unit determines that the fire was caused by arson,
24 as defined in ORS 164.315 and 164.325, by the taxpayer or by another at the
25 taxpayer’s direction, then the fire chief shall notify the Department of Rev-
26 enue. Upon conviction of arson, the Department of Revenue shall disallow
27 the credit in accordance with subsection (11) of this section.

28 “(13)(a) A nonresident individual shall be allowed the credit computed in
29 the same manner and subject to the same limitations as the credit allowed
30 a resident by this section. However, the credit shall be prorated using the

1 proportion provided in ORS 316.117.

2 “(b) If a change in the taxable year of a taxpayer occurs as described in
3 ORS 314.085, or if the Department of Revenue terminates the taxpayer’s
4 taxable year under ORS 314.440, the credit allowed by this section shall be
5 prorated or computed in a manner consistent with ORS 314.085.

6 “(c) If a change in the status of a taxpayer from resident to nonresident
7 or from nonresident to resident occurs, the credit allowed by this section
8 shall be determined in a manner consistent with ORS 316.117.

9 “(14) The Department of Revenue may adopt rules for carrying out the
10 provisions of this section.

11 **“SECTION 21.** ORS 315.167 is amended to read:

12 “315.167. (1) Prior to the completion of [*a farmworker*] **an agriculture**
13 **workforce** housing project for which credit under ORS 315.164 will be
14 claimed, an owner or operator of [*farmworker*] **agriculture workforce**
15 housing shall apply to the Housing and Community Services Department for
16 a letter of credit approval.

17 “(2) The application shall be on such form as is prescribed by the Housing
18 and Community Services Department and shall provide:

19 “(a) The name, address and taxpayer identification number of the tax-
20 payer;

21 “(b) The location of the proposed [*farmworker*] **agriculture workforce**
22 housing;

23 “(c) A description of the project identifying the type of housing that is
24 the subject of the **agriculture workforce housing** project;

25 “(d) An estimate of the eligible costs of the **agriculture workforce**
26 **housing** project;

27 “(e) The number of units in the project dedicated to [*farmworker*] **agri-**
28 **culture workforce** housing and the eligible costs associated with the units;

29 “(f) The amount of credit to be claimed by the owner or operator of
30 [*farmworker*] **agriculture workforce** housing, and the amount of credit, if

1 any, to be claimed by a contributor under ORS 315.169; and

2 “(g) Any other information as the Housing and Community Services De-
3 partment may require.

4 “(3) The Housing and Community Services Department may review appli-
5 cations using any reasonable system of prioritizing review established by
6 department rule.

7 “(4) Applications filed in compliance with this section shall be approved
8 by the Housing and Community Services Department to the extent that the
9 total of estimated eligible costs for all approved **agriculture workforce**
10 **housing** projects for the calendar year is equal to or less than \$7.25 million.
11 No application shall be approved if the addition of the estimated eligible
12 costs of the project to the estimated eligible costs for all approved projects
13 for the calendar year would exceed \$7.25 million.

14 “(5) Upon approval of an application, the Housing and Community Ser-
15 vices Department shall prepare a letter of credit approval. The letter shall
16 state the approved amount of estimated eligible costs for the **agriculture**
17 **workforce housing** project and, if applicable, the portion of credit to be
18 claimed by an owner or operator of [*farmworker*] **agriculture workforce**
19 housing under ORS 315.164 and the portion of credit to be claimed by a
20 contributor under ORS 315.169. The letter shall be sent:

21 “(a) To the owner or operator of [*farmworker*] **agriculture workforce**
22 housing, if any credit is to be claimed under ORS 315.164; and

23 “(b) To the contributor, if any credit is to be claimed under ORS 315.169
24 and if the contributor has been identified at the time of approval.

25 “(6) At the conclusion of each calendar year, the Housing and Community
26 Services Department shall send a list of the names, addresses and taxpayer
27 identification numbers of taxpayers to whom a letter of credit approval has
28 been issued under this section during the calendar year, along with approved
29 amounts of estimated eligible costs for each **agriculture workforce housing**
30 project, to the Department of Revenue.

1 “(7) Notwithstanding that a letter of credit approval has been issued to
2 a taxpayer under this section, the Department of Revenue may disallow, in
3 whole or in part, a claim for credit under ORS 315.164 upon the Department
4 of Revenue’s determination that under the provisions of ORS 315.164 the
5 taxpayer is not entitled to the credit or is only entitled to a portion of the
6 amount claimed.

7 **“SECTION 22.** ORS 315.169 is amended to read:

8 “315.169. (1) A taxpayer that is a contributor is allowed a credit against
9 the taxes otherwise due under ORS chapter 316, if the taxpayer is a resident
10 individual, or ORS chapter 317, if the taxpayer is a corporation, to the extent
11 the owner or operator of [*farmworker*] **agriculture workforce** housing
12 transferred all or a portion of the credit allowed to the owner or operator
13 under ORS 315.164.

14 “(2) An owner or operator of [*farmworker*] **agriculture workforce** hous-
15 ing may transfer all or a portion of the credit allowed to the owner or op-
16 erator under ORS 315.164 to one or more contributors but the amount
17 transferred may not total more than the total credit the owner or operator
18 may claim.

19 “(3) To receive a credit under this section:

20 “(a) The contributor must obtain a letter of credit approval from the
21 Housing and Community Services Department under ORS 315.167; or

22 “(b) If the owner or operator of [*farmworker*] **agriculture workforce**
23 housing elects to transfer all or a portion of the credit allowed under ORS
24 315.164 after the date that a letter of credit approval has been issued to the
25 owner or operator, the owner or operator and the contributor must jointly
26 file a statement with the Department of Revenue stating the portion of the
27 credit the contributor is allowed to claim and any other information the de-
28 partment may require by rule.

29 “(4) A contributor remains eligible to receive a credit under this section
30 even if the owner or operator of the [*farmworker*] **agriculture workforce**

1 housing becomes ineligible for the credit as a result of:

2 “(a) Failure to file the annual certification under ORS 315.164 (6);

3 “(b) Failure to continue to substantially comply with occupational safety
4 or health laws, rules, regulations or standards under ORS 315.164 (10);

5 “(c) Failure to register as a farmworker camp with the Department of
6 Consumer and Business Services under ORS 658.750;

7 “(d) Failure of the operator to hold a valid indorsement as a farmworker
8 camp operator under ORS 658.730; or

9 “(e) Failure to comply with any other rules or provisions relating to the
10 operation or maintenance of the [*farmworker*] **agriculture workforce** hous-
11 ing after work on the **agriculture workforce housing** project has been
12 completed.

13 “(5)(a) A contributor does not remain eligible to receive a credit under
14 this section if the Department of Revenue finds, by order of a disallowance
15 of credit and pursuant to the procedures for a contested case under ORS
16 chapter 183, that the contributor obtained the credit by fraud or misrep-
17 sentation, including a finding that the housing did not comply with all oc-
18 cupational safety or health laws, rules, regulations and standards applicable
19 for [*farmworker*] **agriculture workforce** housing at the time the housing
20 was completed.

21 “(b) If the credit is disallowed pursuant to this subsection, notwithstand-
22 ing ORS 314.410 or other law, all prior tax relief provided to the taxpayer
23 shall be forfeited and the department shall proceed to collect those taxes not
24 paid by the taxpayer as a result of the prior granting of the credit.

25 “(c) If the credit is disallowed pursuant to this subsection, the taxpayer
26 shall be denied any further credit provided under this section, in connection
27 with the [*farmworker*] **agriculture workforce** housing project, as the case
28 may be, from and after the date that the order of disallowance becomes final.

29 “(6)(a) The credit allowed under this section may be taken for the tax
30 year in which the [*farmworker*] **agriculture workforce** housing project is

1 completed or in any of the nine tax years succeeding the tax year in which
2 the project is completed.

3 “(b) The credit allowed in any one tax year may not exceed 20 percent
4 of the amount determined under subsection (2) of this section that was
5 transferred to the contributor claiming the credit.

6 “(7) Except as provided under subsection (8) of this section, the credit
7 allowed in any one year may not exceed the tax liability of the taxpayer.

8 “(8) Any tax credit otherwise allowable under this section that is not used
9 by the taxpayer in a particular tax year may be carried forward and offset
10 against the taxpayer’s tax liability for the next succeeding tax year. Any
11 credit remaining unused in such next succeeding tax year may be carried
12 forward and used in the second succeeding tax year, and likewise any credit
13 not used in that second succeeding tax year may be carried forward and used
14 in the third succeeding tax year, and any credit not used in that third suc-
15 ceeding tax year may be carried forward and used in the fourth succeeding
16 tax year, and any credit not used in that fourth succeeding tax year may be
17 carried forward and used in the fifth succeeding tax year, and any credit not
18 used in that fifth succeeding tax year may be carried forward and used in
19 the sixth succeeding tax year, and any credit not used in that sixth suc-
20 ceeding tax year may be carried forward and used in the seventh succeeding
21 tax year, and any credit not used in that seventh succeeding tax year may
22 be carried forward and used in the eighth succeeding tax year, and any credit
23 not used in that eighth succeeding tax year may be carried forward and used
24 in the ninth succeeding tax year, but may not be carried forward for any tax
25 year thereafter.

26 “(9)(a) A nonresident individual shall be allowed the credit computed in
27 the same manner and subject to the same limitations as the credit allowed
28 a resident by this section. However, the credit shall be prorated using the
29 proportion provided in ORS 316.117.

30 “(b) If a change in the taxable year of a taxpayer occurs as described in

1 ORS 314.085, or if the department terminates the taxpayer's taxable year
2 under ORS 314.440, the credit allowed by this section shall be prorated or
3 computed in a manner consistent with ORS 314.085.

4 “(c) If a change in the status of a taxpayer from resident to nonresident
5 or from nonresident to resident occurs, the credit allowed by this section
6 shall be determined in a manner consistent with ORS 316.117.

7 “(10) The department may adopt rules for carrying out the provisions of
8 this section.

9 **“SECTION 23.** ORS 315.172 is amended to read:

10 “315.172. Upon an order of the disallowance of a credit for [*farmworker*]
11 **agriculture workforce** housing under ORS 315.164 (11) or 315.169 (5), the
12 Department of Revenue immediately shall collect any taxes due by reason
13 of the disallowance and shall have the benefit of all the laws of this state
14 pertaining to the collection of income and excise taxes. An assessment of the
15 taxes is not necessary and a statute of limitation shall not preclude the
16 collection of the taxes.

17 **“SECTION 24.** ORS 317.147 is amended to read:

18 “317.147. (1) As used in this section:

19 “(a) [*Farmworker*] ‘**Agriculture workforce** housing’ has the meaning
20 given that term in ORS 315.163.

21 “(b) ‘Lending institution’ means a bank, mortgage banking company, trust
22 company, savings bank, credit union, national banking association, federal
23 savings and loan association, federal credit union maintaining an office in
24 this state, nonprofit community development financial institution or
25 nonprofit public benefit corporation operating as a lending institution.

26 “(2)(a) A lending institution shall be allowed a credit against the taxes
27 otherwise due under this chapter for the tax year equal to 50 percent of the
28 interest income earned during the tax year on loans to finance only costs
29 directly associated with construction or rehabilitation of [*farmworker*] **agri-**
30 **culture workforce** housing if, at the time the loan is made, the borrower

1 certifies, to the satisfaction of the lender, that upon completion of the con-
2 struction or rehabilitation and first occupation by [*farmworkers*] **agricul-**
3 **tural workers**, the housing will comply with all occupational safety or
4 health laws, rules, regulations and standards applicable for [*farmworker*]
5 **agriculture workforce** housing and that the housing will be occupied only
6 by [*farmworkers*] **agricultural workers** and their immediate families.

7 “(b) A copy of the certification described under paragraph (a) of this
8 subsection shall be submitted to the Department of Revenue at the time that
9 a credit under this section is first claimed.

10 “(3) The credit allowed under this section applies only to loans to con-
11 struct or rehabilitate [*farmworker*] **agriculture workforce** housing located
12 within this state.

13 “(4) This credit applies only to loans made on or after January 1, 1990.

14 “(5) The credit allowed in any one year may not exceed the tax liability
15 of the taxpayer.

16 “(6) If the loan has a term of longer than 10 years, then the credit shall
17 be allowed only for the tax year of the taxpayer during which the loan is
18 made and the nine tax years immediately following.

19 “(7) The credit allowed under this section does not apply to loans in
20 which the interest rate charged exceeds 13-1/2 percent per annum.

21 “(8) The credit allowed under this section applies only to interest income
22 from the loan and does not apply to any other loan fees or other charges
23 collected by the lending institution with respect to the loan.

24 “(9) The credit allowed under this section applies only to interest income
25 actually collected by the lending institution during the tax year.

26 “(10)(a) Except as provided in paragraph (b) of this subsection, if the
27 lending institution sells the loan to another lending institution, then the
28 credit shall pass to the assignee or transferee of the loan, subject to the same
29 conditions and limitations as set forth in this section.

30 “(b) A lending institution may assign, sell or otherwise transfer the loan

1 to another person and retain the right to claim the credit granted under this
2 section if the lending institution also retains responsibility for servicing the
3 loan.

4 “(c)(A) A lending institution that is not subject to taxation under this
5 chapter may sell or otherwise transfer the credit allowed to the lending in-
6 stitution under this section to a taxpayer that is subject to taxation under
7 this chapter.

8 “(B) A transferee of a credit under this section shall be allowed the credit
9 for the tax years that would have been allowable to the transferor had the
10 transfer not occurred.

11 “(C) The Department of Revenue shall by rule establish procedures for
12 transferring a credit under this section.

13 **“SECTION 25.** ORS 314.752 is amended to read:

14 “314.752. (1) Except as provided in ORS 314.740 (5)(b), the tax credits al-
15 lowed or allowable to a C corporation for purposes of ORS chapter 317 or
16 318 shall not be allowed to an S corporation. The business tax credits al-
17 lowed or allowable for purposes of ORS chapter 316 shall be allowed or are
18 allowable to the shareholders of the S corporation.

19 “(2) In determining the tax imposed under ORS chapter 316, as provided
20 under ORS 314.734, on income of the shareholder of an S corporation, there
21 shall be taken into account the shareholder’s pro rata share of business tax
22 credit (or item thereof) that would be allowed to the corporation (but for
23 subsection (1) of this section) or recapture or recovery thereof. The credit (or
24 item thereof), recapture or recovery shall be passed through to shareholders
25 in pro rata shares as determined in the manner prescribed under section
26 1377(a) of the Internal Revenue Code.

27 “(3) The character of any item included in a shareholder’s pro rata share
28 under subsection (2) of this section shall be determined as if such item were
29 realized directly from the source from which realized by the corporation, or
30 incurred in the same manner as incurred by the corporation.

1 “(4) If the shareholder is a nonresident and there is a requirement appli-
2 cable for the business tax credit that in the case of a nonresident the credit
3 be allowed in the proportion provided in ORS 316.117, then that provision
4 shall apply to the nonresident shareholder.

5 “(5) As used in this section, ‘business tax credit’ means a tax credit
6 granted to personal income taxpayers to encourage certain investment, to
7 create employment, economic opportunity or incentive or for charitable, ed-
8 ucational, scientific, literary or public purposes that is listed under this
9 subsection as a business tax credit or is designated as a business tax credit
10 by law or by the Department of Revenue by rule and includes but is not
11 limited to the following credits: ORS 285C.309 (tribal taxes on reservation
12 enterprise zones and reservation partnership zones), ORS 315.104 (forestation
13 and reforestation), ORS 315.138 (fish screening, by-pass devices, fishways),
14 ORS 315.141 (biomass production for biofuel), ORS 315.156 (crop gleaning),
15 ORS 315.164 and 315.169 [*farmworker*] (**agriculture workforce** housing),
16 ORS 315.204 (dependent care assistance), ORS 315.208 (dependent care facili-
17 ties), ORS 315.213 (contributions for child care), ORS 315.304 (pollution con-
18 trol facility), ORS 315.326 (renewable energy development contributions),
19 ORS 315.331 (energy conservation projects), ORS 315.336 (transportation
20 projects), ORS 315.341 (renewable energy resource equipment manufacturing
21 facilities), ORS 315.354 and 469B.151 (energy conservation facilities), ORS
22 315.507 (electronic commerce), ORS 315.533 (low income community jobs ini-
23 tiative) and ORS 317.115 (fueling stations necessary to operate an alternative
24 fuel vehicle) **and section 80 of this 2013 Act (advanced manufacturing).**

25 **“SECTION 26.** ORS 455.380 is amended to read:

26 “455.380. (1) Notwithstanding the provisions of ORS 455.148 and 455.150,
27 the Department of Consumer and Business Services is the final authority in
28 interpretation, execution and enforcement of state and municipal adminis-
29 tration of building codes and rules with respect to construction of
30 [*farmworker*] **agriculture workforce** housing as defined in ORS 315.163.

1 “(2) The department shall provide for a statewide uniform application and
2 method of calculating permit fees for [*farmworker*] **agriculture workforce**
3 housing as defined in ORS 315.163.

4 “(3) The department shall adopt rules to carry out the provisions of sub-
5 sections (1) and (2) of this section.

6 “**SECTION 27.** ORS 456.508 is amended to read:

7 “456.508. As used in ORS 456.510 and 456.513:

8 “(1) ‘Accessible’ means that housing complies with federal accessibility
9 guidelines implementing the Fair Housing Amendments Act of 1988, 42 U.S.C.
10 3601 et seq., as amended and in effect on January 1, 2004.

11 “(2) ‘Common living space’ means a living room, family room, dining room
12 or kitchen.

13 “(3) ‘Contiguous units’ means units that are on the same tax lot or on
14 contiguous tax lots that have a common boundary. Tax lots that are sepa-
15 rated by a public road are contiguous tax lots for purposes of this subsection.

16 “(4) ‘New’ means that the housing being constructed did not previously
17 exist in residential or nonresidential form. ‘New’ does not include the ac-
18 quisition, alteration, renovation or remodeling of an existing structure.

19 “(5) ‘Powder room’ means a room containing at least a toilet and sink.

20 “(6) ‘Rental housing’ means a dwelling unit designed for nonowner occu-
21 pancy under a tenancy typically lasting six months or longer.

22 “(7) ‘Subsidized development’ means housing that receives one or more of
23 the following development subsidies from the Housing and Community Ser-
24 vices Department:

25 “(a) The federal low-income housing tax credit under 26 U.S.C. 42(a), if
26 no part of the eligible basis prior to the application of 26 U.S.C. 42(i)(2)(B)
27 was financed with an obligation described in 26 U.S.C. 42(h)(4)(A), all as
28 amended and in effect on January 1, 2004;

29 “(b) [*A farmworker*] **An agriculture workforce** housing tax credit, as
30 described in ORS 315.164;

1 “(c) A loan that qualifies the lending institution for a subsidized housing
2 loan tax credit, as described in ORS 317.097;

3 “(d) Funding under the federal HOME Investment Partnerships Act, 42
4 U.S.C. 12721 to 12839, as amended and in effect on January 1, 2004;

5 “(e) Moneys from the Oregon Housing Fund created under ORS 458.620;
6 or

7 “(f) Moneys from other grant or tax incentive programs administered by
8 the Housing and Community Services Department under ORS 456.559.

9 “(8) ‘Visitable’ means capable of being approached, entered and used by
10 individuals with mobility impairments, including but not limited to individ-
11 uals using wheelchairs.

12 **“SECTION 28.** ORS 456.510 is amended to read:

13 “456.510. (1) Except as provided in this section and ORS 456.513, the
14 Housing and Community Services Department may not provide funding for
15 the development of new rental housing that is a subsidized development un-
16 less:

17 “(a) Each dwelling unit of the housing meets the following requirements:

18 “(A) At least one visitable exterior route leading to a dwelling unit en-
19 trance that is stepless and has a minimum clearance of 32 inches.

20 “(B) One or more visitable routes between the visitable dwelling unit
21 entrance and a visitable common living space.

22 “(C) At least one visitable common living space.

23 “(D) One or more visitable routes between the dwelling unit entrance and
24 a powder room.

25 “(E) A powder room doorway that is stepless and has a minimum clear-
26 ance of 32 inches.

27 “(F) A powder room with walls that are reinforced in a manner suitable
28 for handrail installation.

29 “(G) Light switches, electrical outlets and environmental controls that
30 are at a reachable height.

1 “(b) For a development that has a shared community room or that has 20
2 or more contiguous units, there is at least one powder room available for all
3 tenants and guests that is accessible.

4 “(2) For a multistory structure without an elevator, this section applies
5 only to dwelling units on the ground floor of the structure.

6 “(3) This section does not apply to *[farmworker]* **agriculture workforce**
7 housing **as defined in ORS 315.163 that is** located on a farm.

8 **“SECTION 29.** ORS 456.585 is amended to read:

9 “456.585. The Housing and Community Services Department shall serve
10 as the primary state agency for *[farmworker housing]* information **about**
11 **agriculture workforce housing as defined in ORS 315.163.** The depart-
12 ment shall perform the following duties related to *[farmworker]* **agriculture**
13 **workforce** housing information:

14 “(1) Develop an information center for *[farmworker]* **agriculture**
15 **workforce** housing financing information. The department shall consult with
16 private organizations and the *[Farmworker]* **Agriculture Workforce** Hous-
17 ing Facilitation Team established pursuant to subsection (3) of this section
18 in developing and operating the information center. The information center
19 shall include provision for access by the Internet.

20 “(2) To the extent practicable, simplify the application process for funding
21 *[farmworker]* **agriculture workforce** housing projects **as defined in ORS**
22 **315.163.**

23 “(3) Establish *[a Farmworker]* **an Agriculture Workforce** Housing Fa-
24 cilitation Team to provide an ongoing discussion forum for state and local
25 government agencies that are involved with *[farmworker]* **agriculture**
26 **workforce** housing. Team members shall include the Housing and Commu-
27 nity Services Department, the Occupational Safety and Health Division, the
28 State Department of Agriculture, the Department of Land Conservation and
29 Development, the Employment Department and the Oregon State University
30 Extension Service. The Housing and Community Services Department shall

1 also invite Rural Development and the Farm Service Agency of the United
2 States Department of Agriculture, the United States Department of Labor,
3 local planning agencies and other interested persons to be members of the
4 team.

5 “(4) Ensure that homeowner assistance programs engage in outreach ef-
6 forts to contact [*farmworkers*] **agricultural workers**.

7 “(5) Promote the establishment and use of individual development ac-
8 counts by [*farmworkers*] **agricultural workers** and others.

9 “(6) Use a statewide map of crop diversity to determine housing needs,
10 and facilitate the development of [*farmworker*] **agriculture workforce**
11 housing in appropriate locations.

12 “(7) Look at creative ways to provide **agriculture workforce** housing,
13 including but not limited to time-share housing, cooperative housing, mobile
14 and portable housing and modular housing.

15 “(8) Work with private businesses, state agencies and nonprofit organiza-
16 tions to maximize the development of [*farmworker*] **agriculture workforce**
17 housing.

18 “(9) To the extent practicable, refer housing-based conflicts to dispute
19 resolution processes.

20 “**SECTION 30.** ORS 566.340 is amended to read:

21 “566.340. Notwithstanding any other provisions of law, the funds and
22 proceeds of the trust assets that are not authorized to be administered by the
23 Secretary of Agriculture of the United States under the provisions of ORS
24 566.330 shall be received by the Department of State Lands and by it depos-
25 ited in the State Treasury in an account, separate and distinct from the
26 General Fund. Interest earned by the account shall be credited to the ac-
27 count. Moneys in the account are continuously appropriated to the Housing
28 and Community Services Department and may be expended or obligated by
29 the Housing and Community Services Department for the purposes of ORS
30 566.330 or for [*farmworker*] **agriculture workforce** housing permissible un-

1 der the charter of the now dissolved Oregon Rural Rehabilitation Corpo-
2 ration.

3 **“SECTION 31.** The amendments to ORS 315.163, 315.164, 315.167,
4 315.169, 315.172 and 317.147 by sections 19 to 24 of this 2013 Act apply
5 to tax years beginning on or after January 1, 2013.

6 **“SECTION 32.** (1) The amendments to ORS 456.585 by section 29 of
7 this 2013 Act are intended to change the name of the ‘Farmworker
8 Housing Facilitation Team’ to the ‘Agriculture Workforce Housing
9 Facilitation Team.’

10 **“(2)** For the purpose of harmonizing and clarifying statutory law,
11 the Legislative Counsel may substitute for words designating the
12 ‘Farmworker Housing Facilitation Team,’ wherever they occur in
13 statutory law, other words designating the ‘Agriculture Workforce
14 Housing Facilitation Team.’

15 **“SECTION 33.** Section 18, chapter 906, Oregon Laws 2007, as amended
16 by section 33, chapter 913, Oregon Laws 2009, is amended to read:

17 **“Sec. 18.** Section 17, chapter 906, Oregon Laws 2007, applies to individ-
18 uals whose household ends tenancy at a manufactured dwelling park during
19 a tax year that begins on or after January 1, 2007, and before January 1,
20 [2014] 2020.

21 **“SECTION 34.** Section 2b, chapter 906, Oregon Laws 2007, as amended
22 by section 1, chapter 83, Oregon Laws 2011, is amended to read:

23 **“Sec. 2b.** The amendments to ORS 90.645 by section 2a, chapter 906,
24 Oregon Laws 2007, become operative January 1, [2014] 2020.

25 **“SECTION 35.** Section 7b, chapter 906, Oregon Laws 2007, as amended
26 by section 3, chapter 83, Oregon Laws 2011, is amended to read:

27 **“Sec. 7b.** The amendments to ORS 90.650 by section 7a, chapter 906,
28 Oregon Laws 2007, become operative January 1, [2014] 2020.

29 **“SECTION 36.** Section 7, chapter 826, Oregon Laws 2005, as amended by
30 section 21, chapter 906, Oregon Laws 2007, is amended to read:

1 “**Sec. 7.** Section 6, chapter 826, Oregon Laws 2005, applies to tax years
2 beginning on or after January 1, 2006, and before January 1, [2014] **2020.**

3 “**SECTION 37.** Section 10, chapter 826, Oregon Laws 2005, as amended
4 by section 22, chapter 906, Oregon Laws 2007, is amended to read:

5 “**Sec. 10.** Section 9, chapter 826, Oregon Laws 2005, applies to tax years
6 beginning on or after January 1, 2006, and before January 1, [2014] **2020.**

7 “**SECTION 38.** ORS 317.152 is amended to read:

8 “317.152. (1) A credit against taxes otherwise due under this chapter shall
9 be allowed to eligible taxpayers for increases in qualified research expenses
10 and basic research payments. The credit shall be determined in accordance
11 with section 41 of the Internal Revenue Code, except as follows:

12 “(a) The applicable percentage specified in section 41(a) of the Internal
13 Revenue Code shall be five percent.

14 “(b) ‘Qualified research’ and ‘basic research’ shall consist only of research
15 conducted in Oregon.

16 “(c) The following do not apply to the credit allowable under this section:

17 “(A) Section 41(c)(4) of the Internal Revenue Code (relating to the alter-
18 native incremental credit).

19 “(B) Section 41(h) of the Internal Revenue Code (relating to termination
20 of the federal credit).

21 “(2) For purposes of this section, ‘eligible taxpayer’ means a corporation,
22 other than a corporation excluded under Internal Revenue Code section
23 41(e)(7)(E).

24 “(3) The Income Tax Regulations as prescribed by the Secretary of the
25 Treasury under authority of section 41 of the Internal Revenue Code apply
26 for purposes of this section, except as modified by this section or as provided
27 in rules adopted by the Department of Revenue.

28 “(4) The maximum credit under this section may not exceed [*\$1 million*]
29 **\$2 million.**

30 “(5) A deduction may not be taken for the portion of expenses or pay-

1 ments, otherwise allowable as a deduction, that is equal to the amount of the
2 credit claimed under this section.

3 “(6) Any tax credit that is otherwise allowable under this section and that
4 is not used by the taxpayer in that year may be carried forward and offset
5 against the taxpayer’s tax liability for the next succeeding tax year. Any
6 credit remaining unused in such next succeeding tax year may be carried
7 forward and used in the second succeeding tax year, and likewise any credit
8 not used in that second succeeding tax year may be carried forward and used
9 in the third succeeding tax year, and any credit not used in that third suc-
10 ceeding tax year may be carried forward and used in the fourth succeeding
11 tax year, and any credit not used in that fourth succeeding tax year may be
12 carried forward and used in the fifth succeeding tax year, but may not be
13 carried forward for any tax year thereafter.

14 **“SECTION 39.** ORS 317.154 is amended to read:

15 “317.154. (1) A credit against taxes otherwise due under this chapter shall
16 be allowed for qualified research expenses that exceed 10 percent of Oregon
17 sales.

18 “(2) For purposes of this section:

19 “(a) ‘Oregon sales’ shall be computed using the laws and administrative
20 rules for calculating the numerator of the Oregon sales factor under ORS
21 314.665.

22 “(b) ‘Qualified research’ has the meaning given the term under section
23 41(d) of the Internal Revenue Code and shall consist only of research con-
24 ducted in Oregon.

25 “(3) The credit under this section is equal to five percent of the amount
26 by which the qualified research expenses exceed 10 percent of Oregon sales.

27 “(4) The credit under this section shall not exceed \$10,000 times the
28 number of percentage points by which the qualifying research expenses ex-
29 ceed 10 percent of Oregon sales.

30 “(5) The maximum credit under this section may not exceed [*\$1 million*]

1 **\$2 million.**

2 “(6) Any tax credit that is otherwise allowable under this section and that
3 is not used by the taxpayer in that year may be carried forward and offset
4 against the taxpayer’s tax liability for the next succeeding tax year. Any
5 credit remaining unused in such next succeeding tax year may be carried
6 forward and used in the second succeeding tax year, and likewise any credit
7 not used in that second succeeding tax year may be carried forward and used
8 in the third succeeding tax year, and any credit not used in that third suc-
9 ceeding tax year may be carried forward and used in the fourth succeeding
10 tax year, and any credit not used in that fourth succeeding tax year may be
11 carried forward and used in the fifth succeeding tax year, but may not be
12 carried forward for any tax year thereafter.

13 **“SECTION 40. The amendments to ORS 317.152 and 317.154 by**
14 **sections 38 and 39 of this 2013 Act apply to tax years beginning on or**
15 **after January 1, 2014.**

16 **“SECTION 41.** ORS 284.367, as amended by section 15, chapter 730,
17 Oregon Laws 2011, is amended to read:

18 “284.367. (1) The Oregon Production Investment Fund is established in the
19 State Treasury, separate and distinct from the General Fund. Interest earned
20 by the Oregon Production Investment Fund shall be credited to the fund.

21 “(2) Moneys in the Oregon Production Investment Fund shall consist of:

22 “(a) Amounts donated to the fund;

23 “(b) Amounts appropriated or otherwise transferred to the fund by the
24 Legislative Assembly;

25 “(c) Other amounts deposited in the fund from any source; and

26 “(d) Interest earned by the fund.

27 “(3) Ninety-five percent of moneys in the fund are continuously appropri-
28 ated to the Oregon Business Development Department for the purposes of
29 making:

30 “(a) Reimbursements to filmmakers under ORS 284.368;

1 “(b) Payments to a tax credit marketer for marketing services provided
2 by the marketer as described in ORS 284.369; and

3 “(c) Refunds described in ORS 315.514 (5).

4 “(4) Five percent of moneys in the fund are continuously appropriated to
5 the department for the purpose of making reimbursements to local
6 filmmakers **or local media production services companies** under ORS
7 284.368 (3). **Total annual reimbursements to local media production**
8 **services companies may not exceed five percent of the moneys depos-**
9 **ited annually in the fund. On July 1 of each fiscal year, any moneys**
10 **that remain unexpended or unallocated from the previous fiscal year**
11 **may be used by the department for the purpose of making reimburse-**
12 **ments to filmmakers under ORS 284.368 (2).**

13 “(5) Expenditures from the fund are not subject to ORS 291.232 to 291.260.

14 **“SECTION 42.** ORS 284.368 is amended to read:

15 “284.368. (1) As used in this section:

16 “(a) ‘Actual Oregon expenses’ means the costs paid in Oregon for princi-
17 pal photography, production or postproduction in Oregon of a film, **or for**
18 **media production services**, including but not limited to the purchase or
19 rental cost of equipment, food, lodging, real property and permits and pay-
20 ments made for salaries, wages and benefits for work in Oregon.

21 “(b) ‘Film’ means a television movie or one or more episodes of a single
22 television series, or a movie produced for release to theaters, video or the
23 Internet. ‘Film’ does not include the production of a commercial or one or
24 more segments of a newscast or sporting event.

25 “(c) ‘Filmmaker’ means a person who owns a television or film production
26 company.

27 “(d) ‘Local filmmaker’ means a person who owns a television or film
28 production company that has its principal place of business in this state.

29 “(e) **‘Local media production services company’ means a media**
30 **production services company that has its principal place of business**

1 **in this state.**

2 **“(f) ‘Media production services’ includes postproduction services**
3 **and interactive video game development. ‘Media production services’**
4 **does not include the production of a commercial or one or more seg-**
5 **ments of a newscast or sporting event.**

6 **“(g) ‘Media production services company’ means a person who is**
7 **engaged in media production services.**

8 **“[(e)] (h) ‘Resident of this state’ has the meaning given that term in ORS**
9 **316.027.**

10 **“(2)(a) The Oregon Business Development Department may reimburse a**
11 **filmmaker for a portion of the actual Oregon expenses incurred by the**
12 **filmmaker.**

13 **“(b) Maximum reimbursement for a single film shall be the total of:**

14 **“(A) 10 percent of payments made for employee salaries, wages and bene-**
15 **fits for work done in Oregon; and**

16 **“(B) 20 percent of all other actual Oregon expenses.**

17 **“(c) To qualify for reimbursement under this subsection, total actual**
18 **Oregon expenses for the film must equal or exceed [~~\$750,000~~] **\$1 million.****

19 **“(3)(a) The department may reimburse a local filmmaker **or local media****
20 ****production services company** for all or a portion of the actual Oregon**
21 **expenses, **up to \$1 million,** incurred by the local filmmaker **or local media****
22 ****production services company.****

23 **“(b) To qualify for reimbursement under this subsection:**

24 **“(A) Total actual Oregon expenses paid for the film **or media production****
25 ****services** must be at least \$75,000 [*and less than \$750,000*];**

26 **“(B) The local filmmaker **or local media production services company****
27 **must have spent 80 percent of the film’s payroll on employees who are resi-**
28 **dents of this state; and**

29 **“(C) The local filmmaker **or local media production services company****
30 **must have employed or contracted with a public accountant certified under**

1 ORS 673.040 for the provision of payroll services.

2 “(4) Reimbursement under this section shall be made from moneys cred-
3 ited to or deposited in the Oregon Production Investment Fund during the
4 biennium in which the actual Oregon expenses were paid or any prior
5 biennium. A reimbursement may not be made to the extent funds are not
6 available in the fund to make the reimbursement.

7 “(5)(a) Total actual Oregon expenses supporting a claim for reimburse-
8 ment under this section must be verified by the Oregon Film and Video Of-
9 fice. The filmmaker **or local media production services company** must
10 submit to the office proof of the actual Oregon expenses. The proof must
11 include any documentation that may be required by the office in its dis-
12 cretion to verify the actual Oregon expenses.

13 “(b) The office may charge the filmmaker **or local media production**
14 **services company** for costs reasonably incurred to verify the actual Oregon
15 expenses, including but not limited to the cost for a review or audit of the
16 supporting documentation by an accountant or auditor. The office may re-
17 quire the department to deduct the costs incurred by the office in performing
18 its review or audit from any reimbursement made to the filmmaker **or local**
19 **media production services company** under this section.

20 “(c) The office may adopt rules that establish a procedure for the sub-
21 mission and verification of actual Oregon expenses.

22 “**SECTION 43.** ORS 315.514 is amended to read:

23 “315.514. (1) A credit against the taxes that are otherwise due under ORS
24 chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317 or
25 318, is allowed to a taxpayer for certified film production development con-
26 tributions made by the taxpayer during the tax year to the Oregon Pro-
27 duction Investment Fund established under ORS 284.367.

28 “(2)(a) The Department of Revenue shall, in cooperation with the Oregon
29 Film and Video Office, conduct an auction of tax credits under this section.
30 The department may conduct the auction in the manner that it determines

1 is best suited to maximize the return to the state on the sale of tax credit
2 certifications and shall announce a reserve bid prior to conducting the auc-
3 tion. The reserve amount shall be at least 95 percent of the total amount of
4 the tax credit. Moneys necessary to reimburse the department for the actual
5 costs incurred by the department in administering an auction, not to exceed
6 0.25 percent of auction proceeds, are continuously appropriated to the de-
7 partment. The department shall deposit net receipts from the auction re-
8 quired under this section in the Oregon Production Investment Fund.

9 “(b) The Oregon Film and Video Office shall adopt rules in order to
10 achieve the following goals:

11 “(A) Subject to paragraph (a) of this subsection, generate contributions
12 for which tax credits of [~~\$6~~] **\$18** million are certified for each fiscal year;

13 “(B) Maximize income and excise tax revenues that are retained by the
14 State of Oregon for state operations; and

15 “(C) Provide the necessary financial incentives for taxpayers to make
16 contributions, taking into consideration the impact of granting a credit upon
17 a taxpayer’s federal income tax liability.

18 “(3) Contributions made under this section shall be deposited in the
19 Oregon Production Investment Fund.

20 “(4)(a) Upon receipt of a contribution, the Oregon Film and Video Office
21 shall, except as provided in ORS 315.516, issue to the taxpayer written cer-
22 tification of the amount certified for tax credit under this section to the
23 extent the amount certified for tax credit, when added to all amounts previ-
24 ously certified for tax credit under this section, does not exceed [~~\$6~~] **\$18**
25 million for the fiscal year in which certification is made.

26 “(b) The Oregon Film and Video Office and the department are not liable,
27 and a refund of a contributed amount need not be made, if a taxpayer who
28 has received tax credit certification is unable to use all or a portion of the
29 tax credit to offset the tax liability of the taxpayer.

30 “(5) To the extent the Oregon Film and Video Office does not certify

1 contributed amounts as eligible for a tax credit under this section, the tax-
2 payer may request a refund of the amount the taxpayer contributed, and the
3 office shall refund that amount.

4 “(6)(a) Except as provided in paragraph (b) of this subsection, a tax credit
5 claimed under this section may not exceed the tax liability of the taxpayer
6 and may not be carried over to another tax year.

7 “(b) Any tax credit otherwise allowable under this section that is not used
8 by the taxpayer in a particular tax year may be carried forward and offset
9 against the taxpayer’s tax liability for the next succeeding tax year. Any
10 credit remaining unused in the next succeeding tax year may be carried
11 forward and used in the second succeeding tax year, and likewise, any credit
12 not used in that second succeeding tax year may be carried forward and used
13 in the third succeeding tax year but may not be carried forward for any tax
14 year thereafter.

15 “(c) A taxpayer is not eligible for a tax credit under this section if the
16 first tax year for which the credit would otherwise be allowed begins on or
17 after January 1, 2018.

18 “(7) If a tax credit is claimed under this section by a nonresident or
19 part-year resident taxpayer, the amount shall be allowed without proration
20 under ORS 316.117.

21 “(8) If the amount of contribution for which a tax credit certification is
22 made is allowed as a deduction for federal tax purposes, the amount of the
23 contribution shall be added to federal taxable income for Oregon tax pur-
24 poses.

25 **“SECTION 44. The amendments to ORS 284.367, 284.368 and 315.514**
26 **by sections 41 to 43 of this 2013 Act apply to fiscal years beginning on**
27 **or after July 1, 2013.**

28 **“SECTION 45. ORS 315.336, as amended by section 6, chapter 45, Oregon**
29 **Laws 2012, is amended to read:**

30 “315.336. (1) A credit is allowed against the taxes otherwise due under

1 ORS chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317
2 or 318, for a transportation project, based upon the certified cost of the
3 project during the period for which the project is certified under ORS
4 469B.320 to 469B.347.

5 “(2) The credit allowed for a project other than an alternative fuel vehicle
6 infrastructure project shall be as follows:

7 “(a) For tax years beginning on or after January 1, 2011, and before Jan-
8 uary 1, 2012, the maximum allowed credit shall be:

9 “(A) 35 percent of certified cost, if a preliminary certification is issued
10 under ORS 469B.329 prior to July 1, 2011; or

11 “(B) 25 percent of certified cost, if a preliminary certification is issued
12 under ORS 469B.329 on or after July 1, 2011, and before January 1, 2012.

13 “(b) For tax years beginning on or after January 1, 2012, and before Jan-
14 uary 1, 2013, the maximum allowed credit shall be 25 percent of certified
15 cost.

16 “(c) For tax years beginning on or after January 1, 2013, and before Jan-
17 uary 1, 2014, the maximum allowed credit shall be 20 percent of certified
18 cost.

19 “(d) For tax years beginning on or after January 1, 2014, and before Jan-
20 uary 1, 2015, the maximum allowed credit shall be 15 percent of certified
21 cost.

22 “(e) For tax years beginning on or after January 1, 2015, and before Jan-
23 uary 1, 2016, the maximum allowed credit shall be 10 percent of certified
24 cost.

25 “(3) The total amount of the credit allowable for an alternative fuel ve-
26 hicle infrastructure project under this section may not exceed 35 percent of
27 the certified cost of the project.

28 “(4)[(a) *Except as provided in paragraph (b) of this subsection, the credit*
29 *allowed in each of the first two tax years in which the credit is claimed shall*
30 *be 10 percent of the certified cost of the project, but may not exceed the tax*

1 *liability of the taxpayer. The credit allowed in each of the succeeding three*
2 *years shall be five percent of the certified cost, but may not exceed the tax li-*
3 *ability of the taxpayer.]*

4 “*[(b) If the amount of the credit allowed under this section is less than 35*
5 *percent of the certified cost of the project, the credit allowed in any tax year*
6 *may not exceed five percent of the certified cost of the project, and]* **The total**
7 **amount of the credit allowable under this section may be claimed in**
8 **the first tax year for which the credit may be claimed, but** may not
9 exceed the tax liability of the taxpayer.

10 “(5) In order for a tax credit to be allowable under this section:

11 “(a) The project must be located in Oregon.

12 “(b) The project must have received final certification from the Director
13 of the State Department of Energy under ORS 469B.320 to 469B.347.

14 “(6) Any tax credit otherwise allowable under this section that is not used
15 by the taxpayer in a particular year may be carried forward and offset
16 against the taxpayer’s tax liability for the next succeeding tax year. Any
17 credit remaining unused in that next succeeding tax year may be carried
18 forward and used in the second succeeding tax year, and likewise, any credit
19 not used in that second succeeding tax year may be carried forward and used
20 in the third succeeding tax year, and likewise, any credit not used in that
21 third succeeding tax year may be carried forward and used in the fourth
22 succeeding tax year, and likewise, any credit not used in that fourth suc-
23 ceeding tax year may be carried forward and used in the fifth succeeding tax
24 year, but may not be carried forward for any tax year thereafter. Credits
25 may be carried forward to and used in a tax year beyond the years specified
26 in subsection (2) of this section only as provided in this subsection.

27 “(7) The credit allowed under this section is not in lieu of any depreci-
28 ation or amortization deduction for the transportation project to which the
29 taxpayer otherwise may be entitled for purposes of ORS chapter 316, 317 or
30 318 for such year.

1 “(8) The taxpayer’s adjusted basis for determining gain or loss may not
2 be decreased by any tax credits allowed under this section.

3 “(9) The definitions in ORS 469B.320 apply to this section.

4 **“SECTION 45a. Sections 46 to 51 of this 2013 Act were deleted by
5 amendment. Subsequent sections were not renumbered.**

6 **“SECTION 52. The amendments to ORS 315.336 by section 45 of this
7 2013 Act apply to tax years beginning on or after January 1, 2014.**

8 **“SECTION 53.** ORS 315.141, as amended by section 15, chapter 45, Oregon
9 Laws 2012, is amended to read:

10 “315.141. (1) As used in this section:

11 “(a) ‘Agricultural producer’ means a person that produces biomass in
12 Oregon that is used, in Oregon, as biofuel or to produce biofuel.

13 “(b) ‘Biofuel’ means liquid, gaseous or solid fuels, derived from biomass,
14 that have been converted into a processed fuel ready for use as energy by a
15 biofuel producer’s customers or for direct biomass energy use at the biofuel
16 producer’s site.

17 “(c) ‘Biofuel producer’ means a person that through activities in Oregon:

18 “(A) Alters the physical makeup of biomass to convert it into biofuel;

19 “(B) Changes one biofuel into another type of biofuel; or

20 “(C) Uses biomass in Oregon to produce energy.

21 “(d) ‘Biomass’ means organic matter that is available on a renewable or
22 recurring basis and that is derived from:

23 “(A) Forest or rangeland woody debris from harvesting or thinning con-
24 ducted to improve forest or rangeland ecological health and reduce unchar-
25 acteristic stand replacing wildfire risk;

26 “(B) Wood material from hardwood timber described in ORS 321.267 (3);

27 “(C) Agricultural residues;

28 “(D) Offal and tallow from animal rendering;

29 “(E) Food wastes collected as provided under ORS chapter 459 or 459A;

30 “(F) Wood debris collected as provided under ORS chapter 459 or 459A;

1 “(G) Wastewater solids; or

2 “(H) Crops grown solely to be used for energy.

3 “(e) ‘Biomass’ does not mean wood that has been treated with creosote,
4 pentachlorophenol, inorganic arsenic or other inorganic chemical compounds
5 or waste, other than matter described in paragraph (d) of this subsection.

6 “(f) ‘Biomass collector’ means a person that collects biomass in Oregon
7 to be used, in Oregon, as biofuel or to produce biofuel.

8 “(g) ‘Canola’ means plants of the genus **Brassica**:

9 “(A) **In which seeds having a high oil content are the primary eco-**
10 **nomically valuable product; and**

11 “(B) **That have a high erucic acid content suitable for industrial**
12 **uses or a low erucic acid content suitable for edible oils.**

13 “[g] (h) ‘Oilseed processor’ means a person that receives agricultural
14 oilseeds and separates them into meal and oil by mechanical or chemical
15 means.

16 “(i) ‘Willamette Valley’ means **Clackamas, Linn, Marion,**
17 **Multnomah, Polk, Washington and Yamhill Counties and the portion**
18 **of Benton and Lane Counties lying east of the summit of the Coast**
19 **Range.**

20 “(2) The Director of the State Department of Energy may adopt rules to
21 define criteria, only as the criteria apply to organic biomass, to determine
22 additional characteristics of biomass for purposes of this section.

23 “(3)(a) An agricultural producer or biomass collector shall be allowed a
24 credit against the taxes that would otherwise be due under ORS chapter 316
25 or, if the taxpayer is a corporation, under ORS chapter 317 or 318 for:

26 “(A) The production of biomass in Oregon that is used, in Oregon, as
27 biofuel or to produce biofuel; or

28 “(B) The collection of biomass in Oregon that is used, in Oregon, as
29 biofuel or to produce biofuel.

30 “(b) A credit under this section may be claimed in the tax year in which

1 the credit is certified under subsection (5) of this section.

2 “(c) A taxpayer may be allowed a credit under this section for more than
3 one of the roles defined in subsection (1) of this section, but a biofuel pro-
4 ducer that is not also an agricultural producer or a biomass collector may
5 not claim a credit under this section.

6 “(d) A credit under this section may be claimed only once for each unit
7 of biomass.

8 “(e) Notwithstanding paragraph (a) of this subsection, a tax credit:

9 **“(A) Is not allowed for canola grown, collected or produced in the**
10 **Willamette Valley; and**

11 **“(B) Is not allowed for grain corn, but a tax credit shall be allowed for**
12 **other corn material.**

13 “(4) The amount of the credit shall equal the amount certified under
14 subsection (5) of this section.

15 “(5)(a) The State Department of Energy may establish by rule procedures
16 and criteria for determining the amount of the tax credit to be certified un-
17 der this section, consistent with ORS 469B.403. The department shall provide
18 written certification to taxpayers that are eligible to claim the credit under
19 this section.

20 “(b) The State Department of Energy may charge and collect a fee from
21 taxpayers for certification of credits under this section. The fee may not ex-
22 ceed the cost to the department of determining the amount of certified cost.

23 “(c) The State Department of Energy shall provide to the Department of
24 Revenue a list, by tax year, of taxpayers for which a credit is certified under
25 this section, upon request of the Department of Revenue.

26 “(6) The amount of the credit claimed under this section for any tax year
27 may not exceed the tax liability of the taxpayer.

28 “(7) Each agricultural producer or biomass collector shall maintain the
29 written documentation of the amount certified for tax credit under this sec-
30 tion in its records for a period of at least five years after the tax year in

1 which the credit is claimed and provide the written documentation to the
2 Department of Revenue upon request.

3 “(8) The credit shall be claimed on a form prescribed by the Department
4 of Revenue that contains the information required by the department.

5 “(9) Any tax credit otherwise allowable under this section that is not used
6 by the taxpayer in a particular tax year may be carried forward and offset
7 against the taxpayer’s tax liability for the next succeeding tax year. Any
8 credit remaining unused in the next succeeding tax year may be carried
9 forward and used in the second succeeding tax year, and likewise any credit
10 not used in that second succeeding tax year may be carried forward and used
11 in the third succeeding tax year, and any credit not used in that third suc-
12 ceeding tax year may be carried forward and used in the fourth succeeding
13 tax year, but may not be carried forward for any tax year thereafter.

14 “(10) In the case of a credit allowed under this section:

15 “(a) A nonresident shall be allowed the credit under this section in the
16 proportion provided in ORS 316.117.

17 “(b) If a change in the status of the taxpayer from resident to nonresident
18 or from nonresident to resident occurs, the credit allowed by this section
19 shall be determined in a manner consistent with ORS 316.117.

20 “(c) If a change in the taxable year of the taxpayer occurs as described
21 in ORS 314.085, or if the department terminates the taxpayer’s taxable year
22 under ORS 314.440, the credit allowed under this section shall be prorated
23 or computed in a manner consistent with ORS 314.085.

24 **“SECTION 54. The amendments to ORS 315.141 by section 53 of this**
25 **2013 Act apply to tax years beginning on or after January 1, 2014.**

26 **“SECTION 55.** ORS 315.521 is amended to read:

27 “315.521. (1) There shall be allowed a credit against the taxes that are
28 otherwise due under ORS chapter 316 or, if the taxpayer is a corporation,
29 under ORS chapter 317 or 318, for amounts contributed to a university ven-
30 ture development fund established under ORS 351.697, to the extent the uni-

1 versity that established the fund issued a tax credit certificate to the
2 taxpayer.

3 “(2) The total amount of the credit allowed to a taxpayer shall equal 60
4 percent of the amount stated on the tax credit certificate. Except as provided
5 in subsection (3) of this section, the amount of the credit allowed in any one
6 tax year shall equal 20 percent of the amount actually contributed to the
7 fund. **The credit shall be claimed in three consecutive tax years begin-**
8 **ning with the year in which the credit is initially allowed.**

9 “(3) The credit allowed under this section may not exceed \$50,000 or the
10 tax liability of the taxpayer for the tax year.

11 “(4) In the case of a credit allowed under this section for purposes of ORS
12 chapter 316:

13 “(a) A nonresident shall be allowed the credit in the same manner and
14 subject to the same limitations as a resident. However, the credit shall be
15 prorated using the proportion provided in ORS 316.117.

16 “(b) If a change in the tax year of a taxpayer occurs as described in ORS
17 314.085 or if the Department of Revenue terminates the taxpayer’s tax year
18 under ORS 314.440, the credit shall be prorated or computed in a manner
19 consistent with ORS 314.085.

20 “(c) If a change in the status of a taxpayer from resident to nonresident
21 or from nonresident to resident occurs, the credit shall be determined in a
22 manner consistent with ORS 316.117.

23 “(5) A taxpayer claiming a credit under this section shall add to federal
24 taxable income for Oregon tax purposes any amount that is deducted for
25 federal tax purposes and that also serves as the basis for the credit allowed
26 under this section.

27 **“SECTION 56.** Section 27, chapter 913, Oregon Laws 2009, is amended to
28 read:

29 **“Sec. 27.** A credit may not be claimed under ORS 315.521 [*for tax years*
30 *beginning*] **if the initial tax year in which the credit would otherwise**

1 **be allowed begins** on or after January 1, 2016.

2 **“SECTION 57.** ORS 173.025 is amended to read:

3 “173.025. (1) The Legislative Fiscal Officer, with the aid of the Oregon
4 Department of Administrative Services, Legislative Revenue Officer, state
5 agencies and affected local governmental units, including school districts,
6 shall prepare a fiscal impact statement on each measure reported out of a
7 committee of the Legislative Assembly that could have an effect on expend-
8 itures of local governmental units, including school districts.

9 “(2) The Legislative Revenue Officer, with aid of the Legislative Fiscal
10 Officer, the Department of Revenue, state agencies and affected local gov-
11 ernmental units, including school districts, shall prepare a revenue impact
12 statement on each measure reported out of a committee of the Legislative
13 Assembly that could have any effect on revenues of local governmental units,
14 including school districts.

15 **“(3)(a) As used in this subsection, ‘tax expenditure’ has the meaning**
16 **given that term in ORS 291.201.**

17 **“(b) If a revenue impact statement is prepared pursuant to sub-**
18 **section (2) of this section on a measure that creates a tax expenditure,**
19 **the revenue impact statement must include the revenue impact of the**
20 **measure for at least three consecutive biennia, beginning with the**
21 **current biennium.**

22 **“(c) If a revenue impact statement is prepared pursuant to sub-**
23 **section (2) of this section on a measure that creates or extends a tax**
24 **expenditure, the revenue impact statement must include a statement**
25 **describing the public policy purpose of the tax expenditure. The public**
26 **policy purpose statement is subject to review by the committee re-**
27 **commending passage of the measure.**

28 **“SECTION 58.** ORS 315.050 is amended to read:

29 **“315.050. (1) As used in this section, ‘tax expenditure’ has the**
30 **meaning given that term in ORS 291.201.**

1 “(2) Any tax credit enacted by the Legislative Assembly on or after Jan-
2 uary 1, 2010, shall apply for a maximum of six tax years beginning with the
3 initial tax year for which the credit is applicable, unless the Legislative
4 Assembly expressly provides for another period of applicability.

5 “(3) **Any tax expenditure enacted by the Legislative Assembly on**
6 **or after January 1, 2014, shall apply for a maximum of six tax years**
7 **beginning with the initial tax year for which the tax expenditure is**
8 **applicable, unless the Legislative Assembly expressly provides for an-**
9 **other period of applicability.**

10 “**SECTION 59.** Section 20, chapter 913, Oregon Laws 2009, as amended
11 by section 4, chapter 730, Oregon Laws 2011, is amended to read:

12 “**Sec. 20.** (1) A credit may not be claimed under ORS 317.122 (1) for tax
13 years beginning on or after January 1, 2018.

14 “(2) **A credit may not be claimed under ORS 317.122 (2) for tax years**
15 **beginning on or after January 1, 2014.**

16 “**SECTION 60.** ORS 316.695 is amended to read:

17 “316.695. (1) In addition to the modifications to federal taxable income
18 contained in this chapter, there shall be added to or subtracted from federal
19 taxable income:

20 “(a) If, in computing federal income tax for a [*taxable*] **tax** year, the tax-
21 payer deducted itemized deductions, as defined in section 63(d) of the Inter-
22 nal Revenue Code, the taxpayer shall add the amount of itemized deductions
23 deducted (the itemized deductions less an amount, if any, by which the
24 itemized deductions are reduced under section 68 of the Internal Revenue
25 Code).

26 “(b) If, in computing federal income tax for a [*taxable*] **tax** year, the tax-
27 payer deducted the standard deduction, as defined in section 63(c) of the
28 Internal Revenue Code, the taxpayer shall add the amount of the standard
29 deduction deducted.

30 “(c)(A) From federal taxable income there shall be subtracted the larger

1 of (i) the taxpayer's itemized deductions or (ii) a standard deduction. Except
2 as provided in subsection [(8)] (10) of this section, for purposes of this sub-
3 paragraph, 'standard deduction' means the sum of the basic standard de-
4 duction and the additional standard deduction.

5 "(B) For purposes of subparagraph (A) of this paragraph, the basic
6 standard deduction is:

7 "(i) \$3,280, in the case of joint return filers or a surviving spouse;

8 "(ii) \$1,640, in the case of an individual who is not a married individual
9 and is not a surviving spouse;

10 "(iii) \$1,640, in the case of a married individual who files a separate re-
11 turn; or

12 "(iv) \$2,640, in the case of a head of household.

13 "(C)(i) For purposes of subparagraph (A) of this paragraph for tax years
14 beginning on or after January 1, 2003, the Department of Revenue shall an-
15 nually recompute the basic standard deduction for each category of return
16 filer listed under subparagraph (B) of this paragraph. The basic standard
17 deduction shall be computed by dividing the monthly averaged U.S. City
18 Average Consumer Price Index for the 12 consecutive months ending August
19 31 of the prior calendar year by the average U.S. City Average Consumer
20 Price Index for the second quarter of 2002, then multiplying that quotient
21 by the amount listed under subparagraph (B) of this paragraph for each
22 category of return filer.

23 "(ii) If any change in the maximum household income determined under
24 this subparagraph is not a multiple of \$5, the increase shall be rounded to
25 the next lower multiple of \$5.

26 "(iii) As used in this subparagraph, 'U.S. City Average Consumer Price
27 Index' means the U.S. City Average Consumer Price Index for All Urban
28 Consumers (All Items) as published by the Bureau of Labor Statistics of the
29 United States Department of Labor.

30 "(D) For purposes of subparagraph (A) of this paragraph, the additional

1 standard deduction is the sum of each additional amount to which the tax-
2 payer is entitled under subsection [(7)] **(9)** of this section.

3 “(E) As used in subparagraph (B) of this paragraph, ‘surviving spouse’ and
4 ‘head of household’ have the meaning given those terms in section 2 of the
5 Internal Revenue Code.

6 “(F) In the case of the following, the standard deduction referred to in
7 subparagraph (A) of this paragraph shall be zero:

8 “(i) A husband or wife filing a separate return where the other spouse
9 has claimed itemized deductions under subparagraph (A) of this paragraph;

10 “(ii) A nonresident alien individual;

11 “(iii) An individual making a return for a period of less than 12 months
12 on account of a change in the individual’s annual accounting period;

13 “(iv) An estate or trust;

14 “(v) A common trust fund; or

15 “(vi) A partnership.

16 “[*d*] **(2)** For the purposes of [*paragraph (c)(A) of this subsection*] **sub-**
17 **section (1)(c)(A) of this section**, the taxpayer’s itemized deductions [*are*]
18 **shall be reduced as provided in subsection (3) of this section and shall**
19 **be calculated from a starting point of** the sum of:

20 “[*A*] **(a)** The taxpayer’s itemized deductions as defined in section 63(d)
21 of the Internal Revenue Code (reduced, if applicable, as described under
22 section 68 of the Internal Revenue Code) minus the deduction for Oregon
23 income tax (reduced, if applicable, by the proportion that the reduction in
24 federal itemized deductions resulting from section 68 of the Internal Revenue
25 Code bears to the amount of federal itemized deductions as defined for pur-
26 poses of section 68 of the Internal Revenue Code); and

27 “[*B*] **(b)** The amount [*that may be taken into account under section 213(a)*
28 *of the Internal Revenue Code,*] **paid for medical care of the taxpayer**
29 **during the tax year and not compensated for by insurance or other-**
30 **wise, as described in section 213(a) of the Internal Revenue Code, not**

1 to exceed seven and one-half percent of the federal adjusted gross income of
2 the taxpayer, if the taxpayer has attained the following age before the close
3 of the taxable year, or, in the case of a joint return, if either taxpayer has
4 attained the following age before the close of the taxable year:

5 “[*i*] (A) For taxable years beginning on or after January 1, 1991, and
6 before January 1, 1993, a taxpayer must attain 58 years of age before the
7 close of the taxable year.

8 “[*ii*] (B) For taxable years beginning on or after January 1, 1993, and
9 before January 1, 1995, a taxpayer must attain 59 years of age before the
10 close of the taxable year.

11 “[*iii*] (C) For taxable years beginning on or after January 1, 1995, and
12 before January 1, 1997, a taxpayer must attain 60 years of age before the
13 close of the taxable year.

14 “[*iv*] (D) For taxable years beginning on or after January 1, 1997, and
15 before January 1, 1999, a taxpayer must attain 61 years of age before the
16 close of the taxable year.

17 “[*v*] (E) For taxable years beginning on or after January 1, 1999, a tax-
18 payer must attain 62 years of age before the close of the taxable year.

19 **“(3)(a) If for the tax year a taxpayer has federal adjusted gross in-**
20 **come in excess of the applicable limits provided in paragraph (b) of**
21 **this subsection, the amount of itemized deductions otherwise allowable**
22 **under subsection (2) of this section shall be reduced by 11 percent of**
23 **the excess of adjusted gross income over the applicable limit. The re-**
24 **duction in this paragraph does not apply to any deduction for chari-**
25 **table contributions under section 170 of the Internal Revenue Code.**

26 **“(b) The applicable limit is \$250,000 for joint return filers, a surviv-**
27 **ing spouse or a head of household or \$125,000 for an individual who is**
28 **not a married individual and is not a surviving spouse, or is a married**
29 **individual who files a separate return.**

30 “[*(2)(a)*] (4)(a) There shall be subtracted from federal taxable income any

1 portion of the distribution of a pension, profit-sharing, stock bonus or other
2 retirement plan, representing that portion of contributions which were taxed
3 by the State of Oregon but not taxed by the federal government under laws
4 in effect for tax years beginning prior to January 1, 1969, or for any subse-
5 quent year in which the amount that was contributed to the plan under the
6 Internal Revenue Code was greater than the amount allowed under this
7 chapter.

8 “(b) Interest or other earnings on any excess contributions of a pension,
9 profit-sharing, stock bonus or other retirement plan not permitted to be de-
10 ducted under paragraph (a) of this subsection [*shall*] **may** not be added to
11 federal taxable income in the year earned by the plan and [*shall*] **may** not
12 be subtracted from federal taxable income in the year received by the tax-
13 payer.

14 “[~~(3)(a)~~] **(5)(a)** Except as provided in subsection [~~(4)~~] **(6)** of this section,
15 there shall be added to federal taxable income the amount of any federal
16 income taxes in excess of the amount provided in paragraphs (b) to (d) of this
17 subsection, accrued by the taxpayer during the [*taxable*] **tax** year as de-
18 scribed in ORS 316.685, less the amount of any refund of federal taxes pre-
19 viously accrued for which a tax benefit was received.

20 “(b) The limits applicable to this subsection are:

21 “(A) \$5,500, if the federal adjusted gross income of the taxpayer for the
22 tax year is less than \$125,000, or, if reported on a joint return, less than
23 \$250,000.

24 “(B) \$4,400, if the federal adjusted gross income of the taxpayer for the
25 tax year is \$125,000 or more and less than \$130,000, or, if reported on a joint
26 return, \$250,000 or more and less than \$260,000.

27 “(C) \$3,300, if the federal adjusted gross income of the taxpayer for the
28 tax year is \$130,000 or more and less than \$135,000, or, if reported on a joint
29 return, \$260,000 or more and less than \$270,000.

30 “(D) \$2,200, if the federal adjusted gross income of the taxpayer for the

1 tax year is \$135,000 or more and less than \$140,000, or, if reported on a joint
2 return, \$270,000 or more and less than \$280,000.

3 “(E) \$1,100, if the federal adjusted gross income of the taxpayer for the
4 tax year is \$140,000 or more and less than \$145,000, or, if reported on a joint
5 return, \$280,000 or more and less than \$290,000.

6 “(c) If the federal adjusted gross income of the taxpayer is \$145,000 or
7 more for the tax year, or, if reported on a joint return, \$290,000 or more, the
8 limit is zero and the taxpayer is not allowed a subtraction for federal income
9 taxes under ORS 316.680 (1) for the tax year.

10 “(d) In the case of a husband and wife filing separate tax returns, the
11 amount added shall be in the amount of any federal income taxes in excess
12 of the amount provided for individual taxpayers under paragraphs (a) to (c)
13 of this subsection, less the amount of any refund of federal taxes previously
14 accrued for which a tax benefit was received.

15 “(e) For purposes of this subsection, the limits applicable to a joint return
16 shall apply to a head of household or a surviving spouse, as defined in sec-
17 tion 2(a) and (b) of the Internal Revenue Code.

18 “(f)(A) For a calendar year beginning on or after January 1, 2008, the
19 Department of Revenue shall make a cost-of-living adjustment to the federal
20 income tax threshold amounts described in paragraphs (b) and (d) of this
21 subsection.

22 “(B) The cost-of-living adjustment for a calendar year is the percentage
23 by which the monthly averaged U.S. City Average Consumer Price Index for
24 the 12 consecutive months ending August 31 of the prior calendar year ex-
25 ceeds the monthly averaged index for the period beginning September 1, 2005,
26 and ending August 31, 2006.

27 “(C) As used in this paragraph, ‘U.S. City Average Consumer Price
28 Index’ means the U.S. City Average Consumer Price Index for All Urban
29 Consumers (All Items) as published by the Bureau of Labor Statistics of the
30 United States Department of Labor.

1 “(D) If any adjustment determined under subparagraph (B) of this para-
2 graph is not a multiple of \$50, the adjustment shall be rounded to the next
3 lower multiple of \$50.

4 “(E) The adjustment shall apply to all tax years beginning in the calendar
5 year for which the adjustment is made.

6 “[~~(4)(a)~~] **(6)(a)** In addition to the adjustments required by ORS 316.130, a
7 full-year nonresident individual shall add to taxable income a proportion of
8 any accrued federal income taxes as computed under ORS 316.685 in excess
9 of the amount provided in subsection [~~(3)~~] **(5)** of this section in the propor-
10 tion provided in ORS 316.117.

11 “(b) In the case of a husband and wife filing separate tax returns, the
12 amount added under this subsection shall be computed in a manner consist-
13 ent with the computation of the amount to be added in the case of a husband
14 and wife filing separate returns under subsection [~~(3)~~] **(5)** of this section. The
15 method of computation shall be determined by the Department of Revenue
16 by rule.

17 “[~~(5)~~] **(7)** Subsections [~~(3)(d) and (4)(b)~~] **(5)(d) and (6)(b)** of this section
18 [~~shall~~] **do** not apply to married individuals living apart as defined in section
19 7703(b) of the Internal Revenue Code.

20 “[~~(6)(a)~~] **(8)(a)** For tax years beginning on or after January 1, 1981, and
21 prior to January 1, 1983, income or loss taken into account in determining
22 federal taxable income by a shareholder of an S corporation pursuant to
23 sections 1373 to 1375 of the Internal Revenue Code shall be adjusted for
24 purposes of determining Oregon taxable income, to the extent that as income
25 or loss of the S corporation, they were required to be adjusted under the
26 provisions of ORS chapter 317.

27 “(b) For tax years beginning on or after January 1, 1983, items of income,
28 loss or deduction taken into account in determining federal taxable income
29 by a shareholder of an S corporation pursuant to sections 1366 to 1368 of the
30 Internal Revenue Code shall be adjusted for purposes of determining Oregon

1 taxable income, to the extent that as items of income, loss or deduction of
2 the shareholder the items are required to be adjusted under the provisions
3 of this chapter.

4 “(c) The tax years referred to in paragraphs (a) and (b) of this subsection
5 are those of the S corporation.

6 “(d) As used in paragraph (a) of this subsection, an S corporation refers
7 to an electing small business corporation.

8 “[~~(7)(a)~~] **(9)(a)** The taxpayer shall be entitled to an additional amount, as
9 referred to in subsection (1)(c)(A) and (D) of this section, of \$1,000:

10 “(A) For the taxpayer if the taxpayer has attained age 65 before the close
11 of the taxpayer’s [*taxable*] **tax** year; and

12 “(B) For the spouse of the taxpayer if the spouse has attained age 65 be-
13 fore the close of the [*taxable*] **tax** year and an additional exemption is al-
14 lowable to the taxpayer for such spouse for federal income tax purposes
15 under section 151(b) of the Internal Revenue Code.

16 “(b) The taxpayer shall be entitled to an additional amount, as referred
17 to in subsection (1)(c)(A) and (D) of this section, of \$1,000:

18 “(A) For the taxpayer if the taxpayer is blind at the close of the
19 [*taxable*] **tax** year; and

20 “(B) For the spouse of the taxpayer if the spouse is blind as of the close
21 of the [*taxable*] **tax** year and an additional exemption is allowable to the
22 taxpayer for such spouse for federal income tax purposes under section 151(b)
23 of the Internal Revenue Code. For purposes of this subparagraph, if the
24 spouse dies during the [*taxable*] **tax** year, the determination of whether such
25 spouse is blind shall be made immediately prior to death.

26 “(c) In the case of an individual who is not married and is not a surviving
27 spouse, paragraphs (a) and (b) of this subsection shall be applied by substi-
28 tuting ‘\$1,200’ for ‘\$1,000.’

29 “(d) For purposes of this subsection, an individual is blind only if the
30 individual’s central visual acuity does not exceed 20/200 in the better eye

1 with correcting lenses, or if the individual's visual acuity is greater than
2 20/200 but is accompanied by a limitation in the fields of vision such that
3 the widest diameter of the visual field subtends an angle no greater than 20
4 degrees.

5 “[8] (10) In the case of an individual with respect to whom a deduction
6 under section 151 of the Internal Revenue Code is allowable for federal in-
7 come tax purposes to another taxpayer for a [taxable] tax year beginning in
8 the calendar year in which the individual's [taxable] tax year begins, the
9 basic standard deduction (referred to in subsection (1)(c)(B) of this section)
10 applicable to such individual for such individual's [taxable] tax year shall
11 equal the lesser of:

12 “(a) The amount allowed to the individual under section 63(c)(5) of the
13 Internal Revenue Code for federal income tax purposes for the tax year for
14 which the deduction is being claimed; or

15 “(b) The amount determined under subsection (1)(c)(B) of this section.

16 **“SECTION 61.** ORS 316.695, as amended by section 60 of this 2013 Act,
17 is amended to read:

18 “316.695. (1) In addition to the modifications to federal taxable income
19 contained in this chapter, there shall be added to or subtracted from federal
20 taxable income:

21 “(a) If, in computing federal income tax for a tax year, the taxpayer de-
22 ducted itemized deductions, as defined in section 63(d) of the Internal Reve-
23 nue Code, the taxpayer shall add the amount of itemized deductions deducted
24 (the itemized deductions less an amount, if any, by which the itemized de-
25 ductions are reduced under section 68 of the Internal Revenue Code).

26 “(b) If, in computing federal income tax for a tax year, the taxpayer de-
27 ducted the standard deduction, as defined in section 63(c) of the Internal
28 Revenue Code, the taxpayer shall add the amount of the standard deduction
29 deducted.

30 “(c)(A) From federal taxable income there shall be subtracted the larger

1 of (i) the taxpayer's itemized deductions or (ii) a standard deduction. Except
2 as provided in subsection [(10)] (8) of this section, for purposes of this sub-
3 paragraph, 'standard deduction' means the sum of the basic standard de-
4 duction and the additional standard deduction.

5 "(B) For purposes of subparagraph (A) of this paragraph, the basic
6 standard deduction is:

7 "(i) \$3,280, in the case of joint return filers or a surviving spouse;

8 "(ii) \$1,640, in the case of an individual who is not a married individual
9 and is not a surviving spouse;

10 "(iii) \$1,640, in the case of a married individual who files a separate re-
11 turn; or

12 "(iv) \$2,640, in the case of a head of household.

13 "(C)(i) For purposes of subparagraph (A) of this paragraph for tax years
14 beginning on or after January 1, 2003, the Department of Revenue shall an-
15 nually recompute the basic standard deduction for each category of return
16 filer listed under subparagraph (B) of this paragraph. The basic standard
17 deduction shall be computed by dividing the monthly averaged U.S. City
18 Average Consumer Price Index for the 12 consecutive months ending August
19 31 of the prior calendar year by the average U.S. City Average Consumer
20 Price Index for the second quarter of 2002, then multiplying that quotient
21 by the amount listed under subparagraph (B) of this paragraph for each
22 category of return filer.

23 "(ii) If any change in the maximum household income determined under
24 this subparagraph is not a multiple of \$5, the increase shall be rounded to
25 the next lower multiple of \$5.

26 "(iii) As used in this subparagraph, 'U.S. City Average Consumer Price
27 Index' means the U.S. City Average Consumer Price Index for All Urban
28 Consumers (All Items) as published by the Bureau of Labor Statistics of the
29 United States Department of Labor.

30 "(D) For purposes of subparagraph (A) of this paragraph, the additional

1 standard deduction is the sum of each additional amount to which the tax-
2 payer is entitled under subsection [(9)] (7) of this section.

3 “(E) As used in subparagraph (B) of this paragraph, ‘surviving spouse’ and
4 ‘head of household’ have the meaning given those terms in section 2 of the
5 Internal Revenue Code.

6 “(F) In the case of the following, the standard deduction referred to in
7 subparagraph (A) of this paragraph shall be zero:

8 “(i) A husband or wife filing a separate return where the other spouse
9 has claimed itemized deductions under subparagraph (A) of this paragraph;

10 “(ii) A nonresident alien individual;

11 “(iii) An individual making a return for a period of less than 12 months
12 on account of a change in the individual’s annual accounting period;

13 “(iv) An estate or trust;

14 “(v) A common trust fund; or

15 “(vi) A partnership.

16 “[2)] (d) For the purposes of [*subsection (1)(c)(A) of this section*] **para-**
17 **graph (c)(A) of this subsection**, the taxpayer’s itemized deductions [*shall*
18 *be reduced as provided in subsection (3) of this section and shall be calculated*
19 *from a starting point of*] **are** the sum of:

20 “[a)] (A) The taxpayer’s itemized deductions as defined in section 63(d)
21 of the Internal Revenue Code (reduced, if applicable, as described under
22 section 68 of the Internal Revenue Code) minus the deduction for Oregon
23 income tax (reduced, if applicable, by the proportion that the reduction in
24 federal itemized deductions resulting from section 68 of the Internal Revenue
25 Code bears to the amount of federal itemized deductions as defined for pur-
26 poses of section 68 of the Internal Revenue Code); and

27 “[b)] (B) The amount paid for medical care of the taxpayer during the
28 tax year and not compensated for by insurance or otherwise, as described in
29 section 213(a) of the Internal Revenue Code, not to exceed seven and one-half
30 percent of the federal adjusted gross income of the taxpayer, if the taxpayer

1 has attained the following age before the close of the taxable year, or, in the
2 case of a joint return, if either taxpayer has attained the following age be-
3 fore the close of the taxable year:

4 “[A] (i) For taxable years beginning on or after January 1, 1991, and
5 before January 1, 1993, a taxpayer must attain 58 years of age before the
6 close of the taxable year.

7 “[B] (ii) For taxable years beginning on or after January 1, 1993, and
8 before January 1, 1995, a taxpayer must attain 59 years of age before the
9 close of the taxable year.

10 “[C] (iii) For taxable years beginning on or after January 1, 1995, and
11 before January 1, 1997, a taxpayer must attain 60 years of age before the
12 close of the taxable year.

13 “[D] (iv) For taxable years beginning on or after January 1, 1997, and
14 before January 1, 1999, a taxpayer must attain 61 years of age before the
15 close of the taxable year.

16 “[E] (v) For taxable years beginning on or after January 1, 1999, a tax-
17 payer must attain 62 years of age before the close of the taxable year.

18 “[3)(a) *If for the tax year a taxpayer has federal adjusted gross income in*
19 *excess of the applicable limits provided in paragraph (b) of this subsection, the*
20 *amount of itemized deductions otherwise allowable under subsection (2) of this*
21 *section shall be reduced by 11 percent of the excess of adjusted gross income*
22 *over the applicable limit. The reduction in this paragraph does not apply to*
23 *any deduction for charitable contributions under section 170 of the Internal*
24 *Revenue Code.]*

25 “[b) *The applicable limit is \$250,000 for joint return filers, a surviving*
26 *spouse or a head of household or \$125,000 for an individual who is not a*
27 *married individual and is not a surviving spouse, or is a married individual*
28 *who files a separate return.]*

29 “[4)(a) (2)(a) There shall be subtracted from federal taxable income any
30 portion of the distribution of a pension, profit-sharing, stock bonus or other

1 retirement plan, representing that portion of contributions which were taxed
2 by the State of Oregon but not taxed by the federal government under laws
3 in effect for tax years beginning prior to January 1, 1969, or for any subse-
4 quent year in which the amount that was contributed to the plan under the
5 Internal Revenue Code was greater than the amount allowed under this
6 chapter.

7 “(b) Interest or other earnings on any excess contributions of a pension,
8 profit-sharing, stock bonus or other retirement plan not permitted to be de-
9 ducted under paragraph (a) of this subsection may not be added to federal
10 taxable income in the year earned by the plan and may not be subtracted
11 from federal taxable income in the year received by the taxpayer.

12 “[~~(5)(a)~~] **(3)(a)** Except as provided in subsection [~~(6)~~] **(4)** of this section,
13 there shall be added to federal taxable income the amount of any federal
14 income taxes in excess of the amount provided in paragraphs (b) to (d) of this
15 subsection, accrued by the taxpayer during the tax year as described in ORS
16 316.685, less the amount of any refund of federal taxes previously accrued for
17 which a tax benefit was received.

18 “(b) The limits applicable to this subsection are:

19 “(A) \$5,500, if the federal adjusted gross income of the taxpayer for the
20 tax year is less than \$125,000, or, if reported on a joint return, less than
21 \$250,000.

22 “(B) \$4,400, if the federal adjusted gross income of the taxpayer for the
23 tax year is \$125,000 or more and less than \$130,000, or, if reported on a joint
24 return, \$250,000 or more and less than \$260,000.

25 “(C) \$3,300, if the federal adjusted gross income of the taxpayer for the
26 tax year is \$130,000 or more and less than \$135,000, or, if reported on a joint
27 return, \$260,000 or more and less than \$270,000.

28 “(D) \$2,200, if the federal adjusted gross income of the taxpayer for the
29 tax year is \$135,000 or more and less than \$140,000, or, if reported on a joint
30 return, \$270,000 or more and less than \$280,000.

1 “(E) \$1,100, if the federal adjusted gross income of the taxpayer for the
2 tax year is \$140,000 or more and less than \$145,000, or, if reported on a joint
3 return, \$280,000 or more and less than \$290,000.

4 “(c) If the federal adjusted gross income of the taxpayer is \$145,000 or
5 more for the tax year, or, if reported on a joint return, \$290,000 or more, the
6 limit is zero and the taxpayer is not allowed a subtraction for federal income
7 taxes under ORS 316.680 (1) for the tax year.

8 “(d) In the case of a husband and wife filing separate tax returns, the
9 amount added shall be in the amount of any federal income taxes in excess
10 of the amount provided for individual taxpayers under paragraphs (a) to (c)
11 of this subsection, less the amount of any refund of federal taxes previously
12 accrued for which a tax benefit was received.

13 “(e) For purposes of this subsection, the limits applicable to a joint return
14 shall apply to a head of household or a surviving spouse, as defined in sec-
15 tion 2(a) and (b) of the Internal Revenue Code.

16 “(f)(A) For a calendar year beginning on or after January 1, 2008, the
17 Department of Revenue shall make a cost-of-living adjustment to the federal
18 income tax threshold amounts described in paragraphs (b) and (d) of this
19 subsection.

20 “(B) The cost-of-living adjustment for a calendar year is the percentage
21 by which the monthly averaged U.S. City Average Consumer Price Index for
22 the 12 consecutive months ending August 31 of the prior calendar year ex-
23 ceeds the monthly averaged index for the period beginning September 1, 2005,
24 and ending August 31, 2006.

25 “(C) As used in this paragraph, ‘U.S. City Average Consumer Price
26 Index’ means the U.S. City Average Consumer Price Index for All Urban
27 Consumers (All Items) as published by the Bureau of Labor Statistics of the
28 United States Department of Labor.

29 “(D) If any adjustment determined under subparagraph (B) of this para-
30 graph is not a multiple of \$50, the adjustment shall be rounded to the next

1 lower multiple of \$50.

2 “(E) The adjustment shall apply to all tax years beginning in the calendar
3 year for which the adjustment is made.

4 “[~~(6)(a)~~] **(4)(a)** In addition to the adjustments required by ORS 316.130, a
5 full-year nonresident individual shall add to taxable income a proportion of
6 any accrued federal income taxes as computed under ORS 316.685 in excess
7 of the amount provided in subsection [~~(5)~~]**(3)** of this section in the proportion
8 provided in ORS 316.117.

9 “(b) In the case of a husband and wife filing separate tax returns, the
10 amount added under this subsection shall be computed in a manner consist-
11 ent with the computation of the amount to be added in the case of a husband
12 and wife filing separate returns under subsection [~~(5)~~] **(3)** of this section. The
13 method of computation shall be determined by the Department of Revenue
14 by rule.

15 “[~~(7)~~] **(5)** Subsections [~~(5)(d) and (6)(b)~~] **(3)(d) and (4)(b)** of this section
16 do not apply to married individuals living apart as defined in section 7703(b)
17 of the Internal Revenue Code.

18 “[~~(8)(a)~~] **(6)(a)** For tax years beginning on or after January 1, 1981, and
19 prior to January 1, 1983, income or loss taken into account in determining
20 federal taxable income by a shareholder of an S corporation pursuant to
21 sections 1373 to 1375 of the Internal Revenue Code shall be adjusted for
22 purposes of determining Oregon taxable income, to the extent that as income
23 or loss of the S corporation, they were required to be adjusted under the
24 provisions of ORS chapter 317.

25 “(b) For tax years beginning on or after January 1, 1983, items of income,
26 loss or deduction taken into account in determining federal taxable income
27 by a shareholder of an S corporation pursuant to sections 1366 to 1368 of the
28 Internal Revenue Code shall be adjusted for purposes of determining Oregon
29 taxable income, to the extent that as items of income, loss or deduction of
30 the shareholder the items are required to be adjusted under the provisions

1 of this chapter.

2 “(c) The tax years referred to in paragraphs (a) and (b) of this subsection
3 are those of the S corporation.

4 “(d) As used in paragraph (a) of this subsection, an S corporation refers
5 to an electing small business corporation.

6 “[~~(9)(a)~~] **(7)(a)** The taxpayer shall be entitled to an additional amount, as
7 referred to in subsection (1)(c)(A) and (D) of this section, of \$1,000:

8 “(A) For the taxpayer if the taxpayer has attained age 65 before the close
9 of the taxpayer’s tax year; and

10 “(B) For the spouse of the taxpayer if the spouse has attained age 65 be-
11 fore the close of the tax year and an additional exemption is allowable to
12 the taxpayer for such spouse for federal income tax purposes under section
13 151(b) of the Internal Revenue Code.

14 “(b) The taxpayer shall be entitled to an additional amount, as referred
15 to in subsection (1)(c)(A) and (D) of this section, of \$1,000:

16 “(A) For the taxpayer if the taxpayer is blind at the close of the tax year;
17 and

18 “(B) For the spouse of the taxpayer if the spouse is blind as of the close
19 of the tax year and an additional exemption is allowable to the taxpayer for
20 such spouse for federal income tax purposes under section 151(b) of the
21 Internal Revenue Code. For purposes of this subparagraph, if the spouse dies
22 during the tax year, the determination of whether such spouse is blind shall
23 be made immediately prior to death.

24 “(c) In the case of an individual who is not married and is not a surviving
25 spouse, paragraphs (a) and (b) of this subsection shall be applied by substi-
26 tuting ‘\$1,200’ for ‘\$1,000.’

27 “(d) For purposes of this subsection, an individual is blind only if the
28 individual’s central visual acuity does not exceed 20/200 in the better eye
29 with correcting lenses, or if the individual’s visual acuity is greater than
30 20/200 but is accompanied by a limitation in the fields of vision such that

1 the widest diameter of the visual field subtends an angle no greater than 20
2 degrees.

3 “[~~(10)~~] (8) In the case of an individual with respect to whom a deduction
4 under section 151 of the Internal Revenue Code is allowable for federal in-
5 come tax purposes to another taxpayer for a tax year beginning in the cal-
6 endar year in which the individual’s tax year begins, the basic standard
7 deduction (referred to in subsection (1)(c)(B) of this section) applicable to
8 such individual for such individual’s tax year shall equal the lesser of:

9 “(a) The amount allowed to the individual under section 63(c)(5) of the
10 Internal Revenue Code for federal income tax purposes for the tax year for
11 which the deduction is being claimed; or

12 “(b) The amount determined under subsection (1)(c)(B) of this section.

13 **“SECTION 62.** ORS 316.362 is amended to read:

14 “316.362. (1) An income tax return with respect to the tax imposed by this
15 chapter shall be made by the following:

16 “(a) Every resident individual:

17 “(A) Who is required to file a federal income tax return for the taxable
18 year; or

19 “(B) Who has gross income greater than the sum of:

20 “(i) The basic standard deduction allowed under ORS 316.695 (1)(c)(B);

21 “(ii) Any additional standard deduction allowed to the taxpayer under
22 ORS 316.695 [~~(7)~~] (9); and

23 “(iii) An amount equal to the income equivalent of one personal ex-
24 emption credit under ORS 316.085 (3)(b) if unmarried, or equal to the income
25 equivalent of two personal exemption credits under ORS 316.085 (3)(b) if
26 married.

27 “(b) Every nonresident individual who has federal gross income from
28 sources in this state of more than the basic standard deduction allowed un-
29 der ORS 316.695 (1)(c)(B).

30 “(c) Every resident estate or trust that is required to file a federal income

1 tax return.

2 “(d) Every nonresident estate that has federal gross income of \$600 or
3 more for the taxable year from sources within this state.

4 “(e) Every nonresident trust that for the taxable year has from sources
5 within this state any taxable income, or gross income of \$600 or more re-
6 gardless of the amount of taxable income.

7 “(2) Nothing contained in this section shall preclude the Department of
8 Revenue from requiring any individual, estate or trust to file a return when,
9 in the judgment of the department, a return should be filed.

10 “(3) For purposes of this section, the income equivalent of a personal ex-
11 emption credit under ORS 316.085 (3)(b) shall be determined as follows:

12 “(a) Divide the personal exemption credit amount by the rate applicable
13 to the lowest income bracket under ORS 316.037.

14 “(b) If the resulting quotient is less than the maximum amount of income
15 subject to the rate used in paragraph (a) of this subsection, the quotient is
16 the income equivalent.

17 “(c) If the resulting quotient is more than the maximum amount of income
18 subject to the rate used in paragraph (a) of this subsection:

19 “(A) Multiply the maximum amount of income subject to the rate used in
20 paragraph (a) of this subsection by the rate used in paragraph (a) of this
21 subsection.

22 “(B) Determine the difference between the product calculated under sub-
23 paragraph (A) of this paragraph and the personal exemption credit amount.

24 “(C) Divide the difference determined in subparagraph (B) of this para-
25 graph by the rate applicable to the income bracket that is the next suc-
26 ceeding the lowest income bracket under ORS 316.037.

27 “(D) Add the quotient determined in subparagraph (C) of this paragraph
28 to the maximum amount of income subject to the rate used in paragraph (a)
29 of this subsection. The sum is the income equivalent.

30 **“SECTION 63.** ORS 316.687 is amended to read:

1 “316.687. There shall be added to federal taxable income of a parent who
2 makes an election under section 1(g)(7)(B) of the Internal Revenue Code any
3 amount in excess of the standard deduction allowed for a child under ORS
4 316.695 [(8)] (10) but not in excess of the amount described in section
5 1(g)(7)(B)(i) of the Internal Revenue Code (twice the amount in effect for the
6 taxable year under section 63(c)(5)(A) of the Internal Revenue Code). The
7 addition under this section shall be made for each child whose income is
8 included in the taxable income of the parent under section 1(g)(7)(B) of the
9 Internal Revenue Code.

10 **“SECTION 64.** ORS 316.690 is amended to read:

11 “316.690. (1) Subject to subsection (2) of this section, in addition to other
12 modifications provided in this chapter, and if a taxpayer elects to take for-
13 eign income taxes imposed for the taxable year by a foreign country as a
14 credit on the federal income tax return or does not itemize personal de-
15 ductions on the federal income tax return, there shall be subtracted from
16 federal taxable income in the computation of state taxable income the
17 amount of foreign income taxes imposed for the taxable year by a foreign
18 country.

19 “(2) The deduction for foreign country income taxes provided by this
20 section shall be limited as follows:

21 “(a) Except as provided in paragraph (b) of this subsection, the sum of
22 foreign country income taxes deducted in computing state taxable income
23 and the modification for federal income taxes authorized by ORS 316.680
24 (1)(b) as limited by ORS 316.695 [(3) shall] (5) **may** not exceed \$3,000.

25 “(b) In the case of a husband and wife filing separate tax returns, the sum
26 described in paragraph (a) of this subsection shall be limited to \$1,500.

27 **“SECTION 65.** ORS 316.362, as amended by section 62 of this 2013 Act,
28 is amended to read:

29 “316.362. (1) An income tax return with respect to the tax imposed by this
30 chapter shall be made by the following:

1 “(a) Every resident individual:
2 “(A) Who is required to file a federal income tax return for the taxable
3 year; or
4 “(B) Who has gross income greater than the sum of:
5 “(i) The basic standard deduction allowed under ORS 316.695 (1)(c)(B);
6 “(ii) Any additional standard deduction allowed to the taxpayer under
7 ORS 316.695 [(9)] (7); and
8 “(iii) An amount equal to the income equivalent of one personal ex-
9 emption credit under ORS 316.085 (3)(b) if unmarried, or equal to the income
10 equivalent of two personal exemption credits under ORS 316.085 (3)(b) if
11 married.
12 “(b) Every nonresident individual who has federal gross income from
13 sources in this state of more than the basic standard deduction allowed un-
14 der ORS 316.695 (1)(c)(B).
15 “(c) Every resident estate or trust that is required to file a federal income
16 tax return.
17 “(d) Every nonresident estate that has federal gross income of \$600 or
18 more for the taxable year from sources within this state.
19 “(e) Every nonresident trust that for the taxable year has from sources
20 within this state any taxable income, or gross income of \$600 or more re-
21 gardless of the amount of taxable income.
22 “(2) Nothing contained in this section shall preclude the Department of
23 Revenue from requiring any individual, estate or trust to file a return when,
24 in the judgment of the department, a return should be filed.
25 “(3) For purposes of this section, the income equivalent of a personal ex-
26 emption credit under ORS 316.085 (3)(b) shall be determined as follows:
27 “(a) Divide the personal exemption credit amount by the rate applicable
28 to the lowest income bracket under ORS 316.037.
29 “(b) If the resulting quotient is less than the maximum amount of income
30 subject to the rate used in paragraph (a) of this subsection, the quotient is

1 the income equivalent.

2 “(c) If the resulting quotient is more than the maximum amount of income
3 subject to the rate used in paragraph (a) of this subsection:

4 “(A) Multiply the maximum amount of income subject to the rate used in
5 paragraph (a) of this subsection by the rate used in paragraph (a) of this
6 subsection.

7 “(B) Determine the difference between the product calculated under sub-
8 paragraph (A) of this paragraph and the personal exemption credit amount.

9 “(C) Divide the difference determined in subparagraph (B) of this para-
10 graph by the rate applicable to the income bracket that is the next suc-
11 ceeding the lowest income bracket under ORS 316.037.

12 “(D) Add the quotient determined in subparagraph (C) of this paragraph
13 to the maximum amount of income subject to the rate used in paragraph (a)
14 of this subsection. The sum is the income equivalent.

15 **“SECTION 66.** ORS 316.687, as amended by section 63 of this 2013 Act,
16 is amended to read:

17 “316.687. There shall be added to federal taxable income of a parent who
18 makes an election under section 1(g)(7)(B) of the Internal Revenue Code any
19 amount in excess of the standard deduction allowed for a child under ORS
20 316.695 [(10)] **(8)** but not in excess of the amount described in section
21 1(g)(7)(B)(i) of the Internal Revenue Code (twice the amount in effect for the
22 taxable year under section 63(c)(5)(A) of the Internal Revenue Code). The
23 addition under this section shall be made for each child whose income is
24 included in the taxable income of the parent under section 1(g)(7)(B) of the
25 Internal Revenue Code.

26 **“SECTION 67.** ORS 316.690, as amended by section 64 of this 2013 Act,
27 is amended to read:

28 “316.690. (1) Subject to subsection (2) of this section, in addition to other
29 modifications provided in this chapter, and if a taxpayer elects to take for-
30 eign income taxes imposed for the taxable year by a foreign country as a

1 credit on the federal income tax return or does not itemize personal de-
2 ductions on the federal income tax return, there shall be subtracted from
3 federal taxable income in the computation of state taxable income the
4 amount of foreign income taxes imposed for the taxable year by a foreign
5 country.

6 “(2) The deduction for foreign country income taxes provided by this
7 section shall be limited as follows:

8 “(a) Except as provided in paragraph (b) of this subsection, the sum of
9 foreign country income taxes deducted in computing state taxable income
10 and the modification for federal income taxes authorized by ORS 316.680
11 (1)(b) as limited by ORS 316.695 [(4)] (6) may not exceed \$3,000.

12 “(b) In the case of a husband and wife filing separate tax returns, the sum
13 described in paragraph (a) of this subsection shall be limited to \$1,500.

14 **“SECTION 68. (1) The amendments to ORS 316.362, 316.687, 316.690**
15 **and 316.695 by sections 60, 62, 63 and 64 of this 2013 Act apply to tax**
16 **years beginning on or after January 1, 2013, and before January 1, 2020.**

17 **“(2) The amendments to ORS 316.362, 316.687, 316.690 and 316.695 by**
18 **sections 61, 65, 66 and 67 of this 2013 Act apply to tax years beginning**
19 **on or after January 1, 2020.**

20 **“SECTION 69.** ORS 316.502 is amended to read:

21 “316.502. (1) The net revenue from the tax imposed by this chapter, after
22 deducting refunds, shall be paid over to the State Treasurer and held in the
23 General Fund as miscellaneous receipts available generally to meet any ex-
24 pense or obligation of the State of Oregon lawfully incurred.

25 “(2) A working balance of unreceipted revenue from the tax imposed by
26 this chapter may be retained for the payment of refunds, but such working
27 balance shall not at the close of any fiscal year exceed the sum of \$1 million.

28 “(3) Moneys are continuously appropriated to the Department of Revenue
29 to make:

30 “(a) The refunds authorized under subsection (2) of this section; and

1 “(b) The refund payments in excess of tax liability authorized under ORS
2 315.262 and 315.266 and section 17, chapter 906, Oregon Laws 2007, and
3 section 2, chapter 65, Oregon Laws 2012.

4 **“SECTION 70. Sections 71 to 75 of this 2013 Act are added to and
5 made a part of ORS chapter 285C.**

6 **“SECTION 71. As used in sections 71 to 75 of this 2013 Act:**

7 **“(1) ‘Annual full-time equivalent employment’ means the number
8 that results from dividing by 1,820 the total number of hours for which
9 any employed person receives pay in a year.**

10 **“(2) ‘Annual gross payroll’ means wages and salaries paid in a year
11 to persons employed by a taxpayer, or to a licensed worker leasing
12 company that is contracting with the taxpayer to provide workers, and
13 the taxpayer’s payments in the year for workers’ compensation, pay-
14 roll taxes, pension or other retirement plan contributions, health or
15 other insurance premiums and other similar benefits for persons em-
16 ployed by the taxpayer, or the licensed worker leasing company, ex-
17 cluding executive officers or employees who own a five percent or
18 greater share in the taxpayer.**

19 **“(3) ‘Median wage’ means the annual median wage or salary re-
20 ported for covered employment by the Oregon Employment Depart-
21 ment for a county or for this state at the time a taxpayer is certified
22 under section 72 of this 2013 Act.**

23 **“SECTION 72. (1) A taxpayer seeking the income or corporate excise
24 tax credit allowed under section 80 of this 2013 Act shall apply to the
25 Oregon Business Development Department for certification under this
26 section.**

27 **“(2) The application must be on a form prescribed by the Oregon
28 Business Development Department by rule and must contain the fol-
29 lowing information:**

30 **“(a) The locations or proposed locations at which the taxpayer is**

1 or will be doing business;

2 “(b) A description of new or expanded operations to be conducted
3 by the taxpayer and the intended duration of the operations;

4 “(c) For the 12 months preceding the application for certification,
5 the average number of full-time, year-round employees of the taxpayer
6 in this state;

7 “(d) The intended number of full-time, year-round employees to be
8 hired, average annual gross payroll and annual full-time equivalent
9 employment for the proposed new or expanded operations of the tax-
10 payer;

11 “(e) A description of any other business activities of the taxpayer
12 in this state at the time of application;

13 “(f) The proposed amount of new investment by the taxpayer in
14 manufacturing facility improvements; and

15 “(g) Any other information the department requires.

16 “(3) An application filed under this section must be accompanied
17 by a fee in an amount prescribed by the Oregon Business Development
18 Department by rule. The fee required under this subsection must not
19 exceed \$25,000.

20 “(4) When an application is filed under this section, the Oregon
21 Business Development Department shall review the application and
22 determine whether:

23 “(a) The taxpayer is doing business in a traded sector, as defined
24 in ORS 285B.280;

25 “(b) Prior to certification, the taxpayer will hire additional em-
26 ployees, with a net gain of at least 5 full-time, year-round employees
27 per \$1 million of tax credit allowed; and

28 “(c) The increase in annual gross payroll of the taxpayer in any
29 county divided by the change in annual full-time equivalent employ-
30 ment of the taxpayer in that county will equal or exceed 150 percent

1 of the median wage of the county or state, whichever is less.

2 “(5) Prior to issuing a certification under subsection (7) of this
3 section, the Oregon Business Development Department shall enter into
4 a performance agreement with the taxpayer. The agreement must
5 contain a statement by the taxpayer that the taxpayer would not have
6 made the capital investment required under section 80 of this 2013 Act
7 or increased its annual gross payroll but for the availability of the
8 credit allowed under section 80 of this 2013 Act. The agreement must
9 contain detailed performance measures related to the requirements of
10 section 80 of this 2013 Act with which the taxpayer must comply, in-
11 cluding conditions on the number of employment positions to be cre-
12 ated by the taxpayer, the average wage compensation of those jobs,
13 the minimum period of operation and the remedies available to the
14 department in the event that the taxpayer does not meet the terms
15 of the performance agreement or other requirements under sections
16 71 to 75 and 80 to 82 of this 2013 Act.

17 “(6) The Oregon Business Development Department may require
18 escrow accounts, letters of credit, security interests or other measures
19 to protect the financial interests of the state in the event a project
20 fails to meet the conditions of the performance agreement.

21 “(7) The Oregon Business Development Department shall issue a
22 certification to the taxpayer, and furnish a copy to the Department
23 of Revenue, if the Oregon Business Development Department deter-
24 mines that:

25 “(a) The taxpayer satisfies the requirements for certification de-
26 scribed in subsection (4) of this section, if the taxpayer operates as
27 described in the application filed under this section; and

28 “(b) The taxpayer is performing in accordance with the performance
29 agreement required under subsection (5) of this section.

30 “(8) The certification issued by the Oregon Business Development

1 Department pursuant to subsection (7) of this section must specify:

2 “(a) The current county per capita personal income of each county
3 in which the taxpayer is doing business.

4 “(b) The following information related to the taxpayer, as disclosed
5 in the application as existing at the time of application:

6 “(A) The number of full-time, year-round employees;

7 “(B) The annual gross payroll; and

8 “(C) The annual full-time equivalent employment in this state.

9 “(c) Any other information that the department requires.

10 “(9) If the Oregon Business Development Department determines
11 that the taxpayer does not satisfy the requirements for certification
12 described in subsection (4) of this section, the department may not
13 issue a certification.

14 “(10) A decision of the Oregon Business Development Department
15 not to issue a certification under this section may be appealed in the
16 same manner as a contested case under ORS chapter 183. The failure
17 of the department to issue a certification within the time period re-
18 quired under subsection (11) of this section is not appealable under this
19 section if the failure to issue the certification results from a limitation
20 on the number of certifications permitted by law.

21 “(11) The Oregon Business Development Department must approve
22 or disapprove an application under this section within 60 days after the
23 date that the taxpayer demonstrates to the department that the tax-
24 payer has hired the number of employees indicated in the application.

25 “SECTION 73. (1) Pursuant to the procedures for a contested case
26 under ORS chapter 183, the Director of the Oregon Business Develop-
27 ment Department may order the suspension or revocation of the cer-
28 tificate issued under section 72 of this 2013 Act if the director finds
29 that:

30 “(a) The certification was obtained by fraud or misrepresentation;

1 **“(b) The holder of the certificate or the operator of the facility has**
2 **failed to construct or operate the facility in compliance with the plans,**
3 **specifications and procedures in the certificate or the performance**
4 **agreement; or**

5 **“(c) The facility is no longer in operation.**

6 **“(2) As soon as the order of revocation under this section becomes**
7 **final, the director shall notify the Department of Revenue of the order**
8 **of revocation. Upon notification, the Department of Revenue imme-**
9 **diately shall proceed to collect those taxes not paid by the certificate**
10 **holder as a result of the tax relief provided to the holder.**

11 **“(3)(a) The Department of Revenue shall have the benefit of all laws**
12 **of this state pertaining to the collection of income and excise taxes**
13 **and may proceed to collect the amounts described in subsection (2) of**
14 **this section from the person that obtained certification from the**
15 **Oregon Business Development Department, or any successor in inter-**
16 **est to the business interests of that person. An assessment of tax is**
17 **not necessary and a statute of limitation does preclude the collection**
18 **of taxes described in this subsection.**

19 **“(b) For purposes of this subsection, a lender, bankruptcy trustee**
20 **or other person that acquires an interest through bankruptcy or**
21 **through foreclosure of a security interest is not considered to be a**
22 **successor in interest to the business interests of the person that ob-**
23 **tained certification.**

24 **“SECTION 74. A taxpayer that has received certification for a fa-**
25 **cility under ORS 317.124 does not qualify for certification for a tax**
26 **credit under section 80 of this 2013 Act. In that case, the Oregon**
27 **Business Development Department shall issue a revocation of certif-**
28 **ication issued under section 72 of this 2013 Act to the taxpayer and**
29 **furnish a copy of the revocation to the Department of Revenue.**

30 **“SECTION 75. (1) In administering the credit allowed under section**

1 **80 of this 2013 Act, the Oregon Business Development Department**
2 **shall establish by rule:**

3 **“(a) Standards for reviewing the operation of a manufacturing fa-**
4 **cility, including the technical evaluation of the manufacturing facility,**
5 **the likelihood of the taxpayer to operate the manufacturing facility**
6 **successfully and prior experience of the taxpayer in comparable oper-**
7 **ations.**

8 **“(b) Standards for reviewing the financial viability of the company,**
9 **including financial background, assets, liabilities and business history**
10 **of the taxpayer in operating the type of manufacturing facility pro-**
11 **posed in the application.**

12 **“(c) Criteria for evaluating the number of jobs created and com-**
13 **pensation levels appropriate to the size of the proposed tax credit.**

14 **“(2) The department may consult with an independent financial or**
15 **technical adviser to evaluate the financial and technical viability and**
16 **likelihood of long-term operation and success of each applicant.**

17 **“(3) The department may also adopt rules that the department**
18 **considers necessary to administer sections 71 to 75 of this 2013 Act.**

19 **“SECTION 76. (1) For the biennium beginning July 1, 2013, the**
20 **Oregon Business Development Department may not issue certif-**
21 **ications under section 72 of this 2013 Act for more than \$50 million in**
22 **potential tax credits.**

23 **“(2) For biennia beginning on or after July 1, 2015, the department**
24 **may not issue certifications under section 72 of this 2013 Act for more**
25 **than \$50 million in potential tax credits in any biennium.**

26 **“SECTION 77. The Oregon Business Development Department may**
27 **issue certifications under section 72 of this 2013 Act for applications**
28 **received on or after October 1, 2013, and on or before December 31,**
29 **2019.**

30 **“SECTION 78. Sections 80 to 82 of this 2013 Act are added to and**

1 made a part of ORS chapter 315.

2 **“SECTION 79.** As used in sections 80 to 82 of this 2013 Act, ‘annual
3 full-time equivalent employment,’ ‘annual gross payroll’ and ‘median
4 wage’ have the meanings given those terms in section 71 of this 2013
5 Act.

6 **“SECTION 80.** (1) As used in this section, ‘advanced
7 manufacturing’ means manufacturing that:

8 **“(a)** Requires the use and coordination of information, automation,
9 computation, software, sensing and networking;

10 **“(b)** Employs innovative materials and emerging capabilities ena-
11 bled by the physical and biological sciences; or

12 **“(c)** Requires high-skilled labor.

13 **“(2)** A credit against taxes that are otherwise due under ORS
14 chapter 316 or, if the taxpayer is a corporation, under ORS chapter 317
15 or 318 is allowed to a taxpayer that makes a capital investment of at
16 least \$2.5 million and establishes that, at a manufacturing facility for
17 which certification under section 72 of this 2013 is sought, the taxpayer
18 is:

19 **“(a)** Doing business in a traded sector, as defined in ORS 285B.280;

20 **“(b)** Engaged in advanced manufacturing; or

21 **“(c)** Engaged in other manufacturing activities that during the tax
22 year will create employment positions providing wages equal to at
23 least 150 percent of per capita personal income for the county in which
24 the manufacturing facility is located or for this state, whichever is
25 greater.

26 **“(3)** A taxpayer, or a taxpayer’s successor in interest, may not re-
27 ceive more than one credit under this section.

28 **“(4)** The Oregon Business Development Department shall give pref-
29 erence for the credit allowed under this section to taxpayers that are
30 engaged in manufacturing related to renewable energy.

1 “(5) The credit allowed under this section shall be in the amount
2 of 50 percent of eligible expenses of the taxpayer, but may not exceed
3 \$10 million. Eligible expenses include capital costs of the manufactur-
4 ing facility, employee compensation that is associated with new capital
5 investment and worker training costs necessary for the first full year
6 of operation of the manufacturing facility.

7 “(6) If a credit allowed under this section reduces tax liability to
8 zero and an amount of the credit remains unused, the remaining un-
9 used amount shall be refunded to the taxpayer. For purposes of ORS
10 chapters 305, 314, 315, 317 and 318, refunds issued under this subsection
11 are refunds of an overpayment of tax imposed under ORS chapter 317
12 or 318.

13 “(7) The credit allowed under this section must be claimed in one
14 tax year, unless the certification under section 72 of this 2013 Act
15 provides otherwise. The department may allocate the allowance of the
16 credit to a taxpayer over several tax years that correspond with the
17 progress of the taxpayer’s investment.

18 “(8) A taxpayer seeking a credit under this section shall claim the
19 credit on a form prescribed by the department by rule that contains,
20 for the tax year for which the credit is claimed, the following infor-
21 mation related to the taxpayer:

22 “(a) The annual average number of full-time, year-round employees;

23 “(b) The annual gross payroll;

24 “(c) The annual full-time equivalent employment in this state; and

25 “(d) Any other information the department requires.

26 “(9)(a) A credit allowed under this section is not in lieu of any de-
27 duction for depreciation, amortization, payroll costs or any other ex-
28 pense to which the taxpayer may be entitled.

29 “(b) The taxpayer’s adjusted basis for determining gain or loss may
30 not be decreased by any credit allowed under this section.

1 “(c) If a change in the taxable year of a taxpayer occurs as de-
2 scribed in ORS 314.085, or if the department terminates the taxpayer’s
3 taxable year under ORS 314.440, the credit allowed by this section shall
4 be prorated or computed in a manner consistent with ORS 314.085.

5 “(d)(A) A nonresident shall be allowed the credit computed under
6 this section in the same manner and subject to the same limitations
7 as the credit allowed a resident of this state. However, the credit shall
8 be prorated using the proportion provided in ORS 316.117.

9 “(B) If a change in the status of a taxpayer from resident to non-
10 resident or from nonresident to resident occurs, the credit allowed by
11 this section shall be determined in a manner consistent with ORS
12 316.117.

13 “SECTION 81. (1) A taxpayer that has claimed a credit under sec-
14 tion 80 of this 2013 Act shall maintain records sufficient to show that
15 the taxpayer has met the requirements for certification described in
16 section 76 of this 2013 Act and the criteria for allowing and computing
17 the credit under section 80 of this 2013 Act.

18 “(2) The taxpayer shall provide the records required to be main-
19 tained under this section to the Oregon Business Development De-
20 partment or the Department of Revenue if requested to do so.

21 “(3) The taxpayer shall maintain the records described in this sec-
22 tion for at least 10 years following the last tax year for which the
23 taxpayer claims any credit under section 80 of this 2013 Act.

24 “SECTION 82. Not later than February 1 of each odd-numbered
25 year, the Oregon Business Development Department shall report to
26 the Legislative Assembly on the utilization of the credit allowed under
27 sections 71 to 75 and 80 to 82 of this 2013 Act. The report required un-
28 der this section shall include data about:

29 “(1) Applications for certification received.

30 “(2) Total amounts of tax credits certified and claimed by tax year.

1 **“(3) Employment positions created or retained by taxpayers in**
2 **connection with manufacturing facilities that receive credits and total**
3 **payroll increase in this state attributable to the credit.**

4 **“(4) Capital investment realized and other economic impacts of the**
5 **facilities.**

6 **“SECTION 83. Sections 71 to 75 and 80 to 82 of this 2013 Act apply**
7 **to tax years beginning on or after January 1, 2014, and before January**
8 **1, 2018.**

9 **“SECTION 84. ORS 318.031 is amended to read:**

10 “318.031. It being the intention of the Legislative Assembly that this
11 chapter and ORS chapter 317 shall be administered as uniformly as possible
12 (allowance being made for the difference in imposition of the taxes), ORS
13 305.140 and 305.150, ORS chapter 314 and the following sections are incor-
14 porated into and made a part of this chapter: ORS 285C.309, 315.104, 315.141,
15 315.156, 315.204, 315.208, 315.213, 315.304, 315.326, 315.331, 315.336, 315.507 and
16 315.533 **and section 80 of this 2013 Act** (all only to the extent applicable
17 to a corporation) and ORS chapter 317.

18 **“SECTION 85. This 2013 Act takes effect on the 91st day after the**
19 **date on which the 2013 regular session of the Seventy-seventh Legis-**
20 **lative Assembly adjourns sine die.”.**

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